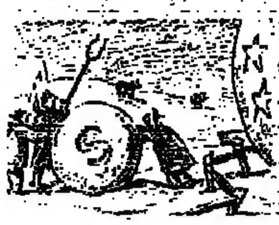


Sweden and the EU
Weighing the threat to a way of life
Page 11

Alpine technology
The appliance of ski science
Technology, Page 8

Factory shops
New weapon in the discount war
Page 7

Golden goose
Foreign banks move into China
Page 4

FINANCIAL TIMES

Europe's Business Newspaper THURSDAY JANUARY 6 1994 D8523A

France's central bank freed as council is chosen

The French government completed the final stage of its creation of an independent central bank, appointing a nine-member council which will have autonomy in the conduct of monetary policy and the determination of interest rates. Edmond Alphandéry, the economy minister, said the central bank would be as independent as the Bundesbank in the formulation of monetary policy. Page 12; Defenders of the franc, Page 2; Editorial Comment, Page 11

Croatia faces sanctions threat: Madeleine Albright, US ambassador to the United Nations, warned Croatia that it could face international economic sanctions unless it stayed out of the Bosnian war. Lieutenant-General Sir Michael Rose will become the new commander of UN forces in Bosnia later this month, succeeding Belgian Lieutenant-General Francis Briquemont. Croats warned, Page 12

US warns against weaker yen: The US renewed its call for the Japanese government to stimulate the country's economy, and warned it not to hope for a weaker yen to pull it out of recession. Page 12

Kmart, the US retailing giant under pressure over its flagging financial performance, announced that restructuring charges aimed at improving profitability would wipe $1.3bn off pre-tax profits in the year to January 26. Page 13

Buyers may switch from Zantac: Glaxo could suffer a sharp slowdown in sales of its biggest-selling product, the ulcer treatment Zantac, later this year, according to a survey by Goldman Sachs, the US stockbroker. Page 13

Mexican forces bomb rebels: Mexican forces stepped up their counterattack against peasant rebels in the southern state of Chiapas, while the federal government reiterated its willingness to seek a negotiated solution. Page 3

Georgia's former president in 'suicide'

Zviad Gamsakhurdia (left), president of Georgia from April 1991 to January 1992, committed suicide on December 31, the official news agency Itar Tass reported. However, the Georgian security ministry said that its intelligence sources believed Mr Gamsakhurdia had been shot in Grozny, the capital of the Russian republic of Chechnya, where he had taken refuge since his violent overthrow in January 1992. Page 2

Russia's $500m parliament: The Russian government, strapped for cash and awash with property, is to spend $500m on a new parliament after taking over the old one for itself. Page 2

Mideast compromise closer: Israel and the Palestine Liberation Organisation edged towards a compromise formula for resuming peace talks but Mr Yitzhak Rabin, Israeli prime minister, ruled out a meeting this week. Page 4

Cambodia offensive due: Senior Cambodian generals say they are preparing their forces for a big offensive against the Khmer Rouge, but concede their intention is a propaganda victory rather than a military one. Page 4

Aérospatiale, the French aircraft and missile group, said its losses last year were "significantly" less than in 1992, but it warned it could not hope to turn in an overall profit until 1995. Page 13

US new vehicle sales up 8%: *Sales* of new cars and light trucks in the US rose by more than 8 per cent last year to around 14.2m, the highest level since 1989. **Page 3; Japanese car sales reach five-year low, Page 4**

Westland, UK helicopter manufacturer, has secured a £150m order from the Brazilian navy after protracted negotiations and against strong French and US competition. Page 5

Beirut rebuilding shares 'oversubscribed': Lebanon's biggest share launch – to establish a company which will rebuild war-torn central Beirut – will be oversubscribed, the company and bankers handling the offering said. Page 4

VW-GM court case: By poaching eight General Motors employees last year, Volkswagen gained access "overnight" to a fund of business knowhow built up by the US group over almost 10 years, a Frankfurt court was told. Page 2

■ STOCK MARKET INDICES		
FT-SE 100:	3379.2	(-29.3)
Yield	3.48	
FT-SE Eurotrack 100	1473.65	(-6.24)
FT-SE-A All-Share	1671.92	(-0.5%)
Nikkei	17,783.48	(+413.74)
New York: lunchtime		
Dow Jones Ind Ave	3776.88	(-4.22)
S&P Composite	466.52	(-0.37)

■ US LUNCHTIME RATES	
Federal Funds:	$3\frac{1}{8}$%
3-mo Treas Bills: Yld	3.127%
Long Bond	$98\frac{1}{2}$
Yield	6.391%

■ LONDON MONEY		
3-mo Interbank	$5\frac{7}{32}$%	(Same)
Liffe long gilt future:	Mar $118\frac{3}{4}$	(Mar $119\frac{3}{8}$)

■ NORTH SEA OIL (Argus)		
Brent 15-day (Feb)	$14.08	(13.57)

■ Gold		
New York Comex (Feb)	$392.1	(395.1)
London	$396.5	(394.25)

■ STERLING		
New York lunchtime:		
$	1.489	
London:		
$	1.4864	(1.4819)
DM	2.5861	(2.5782)
FFr	8.7732	(8.7549)
SFr	2.1998	(2.2021)
Y	167.681	(167.679)
£ Index	82.2	(82.1)

■ DOLLAR		
New York lunchtime:		
DM	1.739	
FFr	5.9075	
SFr	1.479	
Y	112.925	
London:		
DM	1.7399	(1.7398)
FFr	5.9025	(5.9081)
SFr	1.48	(1.4861)
Y	112.76	(113.155)
$ Index	67.7	(67.8)
Tokyo close Y 113.12		

Austria	Sch32	Greece	Dr350	Lux	LFr65	Qatar	QR13.00		
Bahrain	Din1.250	Hong Kong	HK$18	Malta	Lm0.60	S.Arabia	SR11		
Belgium	BFr65	Hungary	Ft185	Morocco	MDh15	Singapore	S$4.30		
Bulgaria	Lv25.00	Iceland	IKr215	Neth	Fl 4.00	Slovak Rp	KSL50		
Cyprus	C£1.10	India	Rs60	Nigeria	Naira50	South Africa	R12.00		
Czech Rp	CZK50	Israel	Shk6.50	Norway	NKr17.00	Spain	Pta225		
Denmark	DKr16	Italy	L3000	Oman	OR1.50	Sweden	SKr16		
Egypt	E£5.00	Japan	Y500	Pakistan	Rs40	Switz	SFr3.30		
Finland	FM14	Jordan	JD1.60	Philippines	Peso50	Syria	S£50.00		
France	FFr9.00	Kuwait	Fils.625	Poland	Zl 32,000	Tunisia	Din1.500		
Germany	DM3.50	Lebanon	US$1.50	Portugal	Esc225	Turkey	L10000	UAE	Dh12.00

Metallgesellschaft stuns banks with loss near DM2bn

German industrial group seeks huge capital injection

By Christopher Parkes in Frankfurt

Metallgesellschaft yesterday stunned its creditor banks with news of an estimated loss of almost DM2bn ($1.15bn) last year, and a request for a massive capital injection.

"It was far, far worse than expected," one participant said after bankers met the new management of the crumbling metals, mining and engineering group. "The company is effectively in the hands of the banks."

According to a formal statement from the group, the board proposed to raise DM2.7bn ($1.56bn) in new capital through a DM250 a share issue to raise DM1.4bn, and the conversion of DM1.3bn-worth of bank debt to junior convertible stock.

The board also requested DM500m in new credit lines for the parent company, Metallgesellschaft AG. While bankers were asked to agree in principle to a 90-day debt moratorium, the company said they should decide on their participation in the planned capital raising with "the highest priority", for fear of further damage to the company.

Sound, high-profile subsidiaries such as the Lurgi plant engineering business, dependent on long-term contracts, often awarded by governments, could be put gravely at risk by loss of international confidence.

Asked if the group's shares, condemned as "effectively worthless" by some bankers, were to be suspended, a spokesman said: "I don't know, I'm not the chairman of the stock exchange".

In November, Mr Heinz Schimmelbusch, who was later sacked as chairman, announced a pre-tax deficit of DM347m for the year to September 30, attributing most of that to losses at a tool-making subsidiary.

But yesterday, Mr Kajo Neukirchen, chairman since December 17, said when the revision of the accounts was complete, the consolidated deficit would be around DM1.9bn, almost all attributable to the parent, Metallgesellschaft AG.

If the worst came to the worst, speculation on the New York oil futures market by MG Corp, a US subsidiary, which sparked the crisis, could cost another DM1bn over the next two or three years as positions were unwound. Apart from the equity issue, the group management also plans a sale of assets, possibly including the Buderus heating equipment business and other readily saleable operations, and to cut its workforce by at least 20,000.

Although a company statement said the restructuring plans had been positively received by the 40 to 50 bankers present, some were unhappy at the tightness of the timetable. There were also grim warnings of potential damage to the credibility of other German multinational companies among international banks.

At the time of Mr Schimmelbusch's sacking, the group supervisory board said it had not been kept adequately informed.

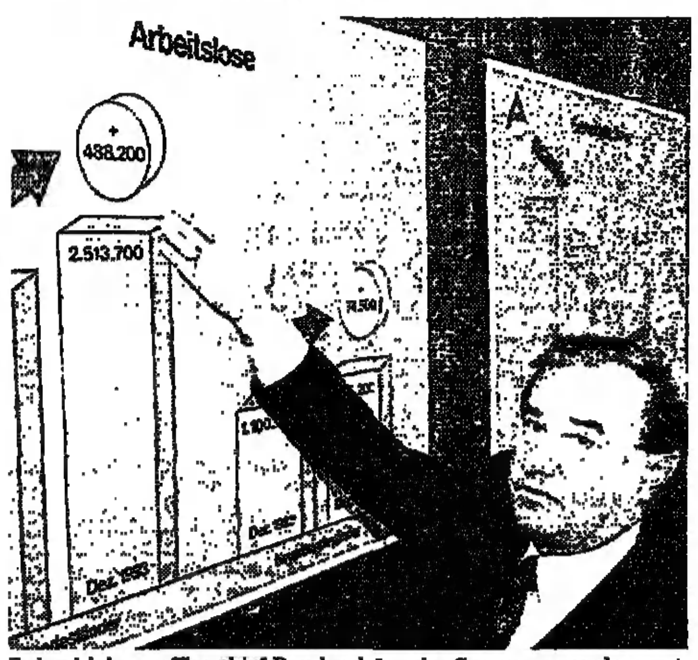
However, critics of German management controls have long complained that supervisory boards, often dominated by large banks, are overindulgent. At yesterday's meeting, officials representing Deutsche Bank and Dresdner Bank – both major shareholders and lenders to Metallgesellschaft – were reported to have contributed little to the discussion.

Mr Ronaldo Schmitz, a Deutsche Bank director, and chairman Metallgesellschaft's board of supervisors, said shortly before Christmas that management had allowed MG Corp to run its own affairs rather than keeping a close watch. By contrast, he said, the London-based metals trading operation had always been perfectly controlled.

Industrial orders fall as unemployment rate rises

Jobless in West Germany up to 2.5m

By Ariane Genillard in Bonn and Christopher Parkes in Frankfurt



Federal labour office chief Bernhard Jagoda: German unemployment figures were 'largely attributable to seasonal fluctuations'

West Germany's unemployment rate in December rose to its highest level since reunification four years ago, overshooting government estimates and damping hopes for economic recovery in 1994.

More than 2.5m were registered without jobs in the western part of the country in December, bringing the unadjusted unemployment rate to 8.1 per cent, according to figures released by the Federal Labour Office yesterday. This compares with 2.4m in November and an unemployment rate of 7.8 per cent.

The high unemployment rate was announced as industrial orders for November continued to show weak domestic demand. Orders in Germany fell by 0.5 per cent against October, while orders from abroad dropped by 1.5 per cent, according to the economics ministry.

In light of the continuing recession, Mr Hans-Jürgen Koebnik, a member of the Bundesbank decision-making central council, said yesterday that the central bank's policymakers believed Germany's short-term interest rates were too high.

The 5.75 per cent discount rate and the 6.75 per cent Lombard rate, unchanged since October 22, would fall during the course of the year provided conditions were right, he said. Mr Koebnik, president of the central bank of Saarland and Rhineland-Palatinate, said the inflation rate was an especially important factor.

His remarks match the opinions of most independent economists, but contrast with the approach traditional among Germany's central bankers.

Mr Bernhard Jagoda, president of the federal labour office, said the unemployment figures were "largely attributable to seasonal fluctuations". Still, on an adjusted basis the number of unemployed west Germans rose to 2.494m in December from 2.489m in November. In total, 675,000 people lost jobs in western Germany for the whole year.

In the autumn, a government forecast said the west German unemployment rate would reach 7.5 per cent by the end of 1993. But unemployment is expected to climb to 10 per cent next year, according to revised government projections published late last month.

Economists have been warning that unemployment could continue to rise as short-time workers are made redundant. Since the beginning of the year, the number of short-time workers, who have part of their salary covered by the federal labour office, has nearly halved.

In eastern Germany, unemployment could continue to rise as places on retraining schemes are reduced. Eastern Germany's unemployment rate rose to 15.4 per cent in December from 15.1 per cent the previous month.

Lex, Page 12

Banks to give $2.1bn to shore up Banesto

By Peter Bruce and John Gapper in Madrid

The Bank of Spain has pressed the country's big banks and savings banks into opening a Pta300bn ($2.1bn) line of emergency short-term credit on the interbank market to help shore up liquidity at Banesto, the struggling commercial bank whose management was replaced by the authorities last week.

Spanish retail depositors have withdrawn up to Pta250bn from Banesto since its chairman, Mr Mario Conde, and the rest of his board were dismissed by the Bank of Spain on December 28. The move came after the central bank's inspectors found a Pta503bn over-valuation of assets at Spain's fourth biggest bank.

Mr Luis Angel Rojo, the governor of the bank, met senior executives of the banks and savings banks in Madrid on Tuesday morning, winning agreement from them that the banks would supply 70 per cent of the credits Banesto needs, with the rest being supplied by the savings banks.

A representative of one savings bank described the meeting as 'tense', reflecting unease, particularly among the savings banks, at being forced to come to the assistance of Banesto. The commercial banks may also be asked later this year to help recapitalise Banesto with a temporary equity injection.

In order to ease worries among the institutions being asked to supply short-term credit to Banesto now, the Bank of Spain has undertaken to guarantee loans made through the credit line to Banesto, which by September last year was Pta504bn in debt in the interbank market.

Details also emerged yesterday of an earlier attempt by J.P. Morgan, the US bank which advised Banesto, to persuade the Bank of Spain that Banesto could survive under its former management.

Continued on Page 12

Greece at odds with EU over Macedonia

By David Gardner in Athens

Greece, which this week took over the presidency of the European Union, refused yesterday to join its partners in recognising the former Yugoslav republic of Macedonia.

Its resistance clouded hopes of a renewed effort to end the fighting in Bosnia, and of the EU developing a common foreign and security policy.

Mr Andreas Papandreou, the Greek prime minister, refused to rule out closing his country's frontier with Macedonia, raising the threat of a border crisis while Athens is at the EU helm. Greece holds the rotating EU presidency until July.

After a meeting in Athens with the European Commission to set EU policy priorities for the six months, Mr Papandreou said "it is not our intention today to close the frontier" with Macedonia. But he warned that Athens reserved its options and that Macedonia was dependent on Greece and the Greek port of Thessaloniki for most of its trade.

Greece believes that the former Yugoslav Macedonia – which it refers to as Skopje, the republic's capital – is making a territorial claim on the Greek province of Macedonia, by virtue of its choice of name, its constitution and its flag, which bears an ancient Macedonian dynastic emblem discovered in 1975 in northern Greece.

"For us this is a kind of irredentism, and what is more, a territorial claim," Mr Papandreou said. "You cannot have neighbours threatening to liberate your territory."

Greece's partners have grown increasingly irritated with Athens' attempts to block EU recognition of Macedonia, which several governments have likened to Greek obstruction of closer links with Turkey because of the Turkish occupation of part of Cyprus.

Five member states – Germany, the UK, France, the Netherlands and Denmark – announced full diplomatic relations with Macedonia just before Greece took over the EU presidency from Belgium.

The depth of Greek feeling on Macedonia, shared in seemingly equal measure by Mr Papandreou's socialist government, the conservative opposition, and a clear majority of public opinion, was reflected by Mr Theodoros Pangalos, the Greek European affairs minister who now chairs the Council of Ministers of the EU.

"You want us to love the people who hate us," Mr Pangalos told journalists. "Of course they hate us; does the IRA hate Britain? These people are claiming half my country."

Mr Pangalos said Macedonia's "open claim" to Greek Macedonia

Continued on Page 12

Furore may prompt revisions in Italy's new drugs regime

By Haig Simonian in Milan

The Italian cabinet was meeting urgently last night to consider freezing, or substantially changing, new rules on medicine sales that have caused nationwide confusion.

Pharmaceutical companies welcomed the possibility that the legislation might be altered. The companies have given warnings that the new rules, introduced at the weekend, could have devastating effects on some manufacturers.

Under the original legislation the government's list of free or subsidised medicines has been revised to cut spiralling medical costs as part of the 1994 budget.

Hundreds of previously free drugs have been reclassified and must now be paid for by customers.

There were angry scenes across the country at pharmacies, hospitals and doctors' offices after the introduction of the new rules.

Many companies, claiming the changes were pushed through without adequate consultation by the health ministry, have taken legal action.

The reclassification coincided with the introduction of much tougher penalties on pharmacists dispensing drugs without prescriptions. Although Italian law technically requires prescriptions for a wide range of drugs, many can in fact be bought over the counter in pharmacies without a doctor's authorisation.

The new rules are designed to bring Italian practice into line with European Union regulations. The upshot, however, has been to create long queues at pharmacies, where patients unaware of the new rules have been turned away.

The Italian pharmacists' association has called for at least a temporary freeze on the new penalties to allow patients and doctors more time to adjust to the need for prescriptions.

Pharmacists have urged the government to authorise the use of faxed prescriptions to reduce the need for return visits to doctors' offices. They have also recommended that patients with chronic illnesses be given special identification cards, eliminating the need for repeat prescriptions.

Government officials said yesterday that the new legislation gave drugs companies the right to appeal, and the new list of approved medicines would be re-examined if necessary.

Italians choke on new regime, Page 2

Paris to strengthen its role within Nato

By David Buchan in Paris

France is to start sending its defence minister and chief-of-staff to Nato meetings which have a bearing "on the possible use of French forces or on French interests", a senior defence official said in Paris yesterday.

This move will effectively put an end to France's boycott of Nato defence ministers' meetings ever since the late President de Gaulle ordered Nato headquarters out of Paris in 1966 and removed French troops from the alliance's integrated military command.

"The French government has decided that its defence minister and chief-of-staff can attend Nato meetings which discuss the possible use of French forces, such as in ex-Yugoslavia or in central and eastern Europe, or in operations involving the Western European Union," which by the Maastricht treaty is the intended defence arm of the European Union, according to the official.

He predicted that French defence ministers would thus figure "relatively frequently" at Brussels meetings, though not necessarily at each of the biannual meetings of the defence planning committee. France would also like to see foreign and defence ministers of Nato countries meeting together as they do in the WEU.

because "

Meanwhile, French defence and foreign ministry officials yesterday expressed broad satisfaction with the Clinton administration's two main proposals for next week's Nato summit in Brussels – the idea of giving east European countries a "partnership for peace" with Nato, falling short of any commitment to outright membership, and the proposal to create a "combined joint task force", outside the alliance's regular structure, to plan peace-keeping operations. French support for the task force idea will be particularly welcome in Washington, which designed the idea with French sensibilities in mind.

■ President Boris Yeltsin yesterday issued a sharp protest against Lithuania's wish to join Nato, warning this could rekindle cold war divisions and lead to the region's "military and political destabilisation", writes Leyla Boulton in Moscow.

In a statement published a day after the former Soviet republic announced it would try to join Nato, Mr Yeltsin's spokesman said that the president was concerned the expansion of Nato to include countries on Russia's border would provoke "a negative reaction" in Russia.

The spokesman, Mr Vyacheslav Kostikov, said Mr Yeltsin expected Nato leaders to dispel "an impression of ambiguity on a question which concerns both the fate of the world and of Russia's national interests".

Italians choke on drugs regime

By Haig Simonian in Milan and Daniel Green in London

Seldom have drugs companies, doctors, pharmacists and patients been so united against legislation as they are in Italy since new rules on selling drugs came into effect on January 1.

Queues have built up outside pharmacies, doctors' surgeries and hospital emergency units from Parma to Palermo as patients struggle to grasp the impact of complex new laws designed to cut rising health costs and crack down on unauthorised drug sales.

Foreign pharmaceutical companies have adopted a cautious response to rule changes which put their products into three categories: A for free drugs; B for those receiving a 50 per cent government subsidy; and C for drugs where the patient pays the full cost.

They say they have yet to study the regulations and point out that there is a 30-day period in which they can appeal against decisions to take drugs off the free list.

There is much at stake for the industry. The Italian market is the third biggest in the Europe and sales there last year were worth about 6 per cent of the $200bn (£135.1bn) annual global prescription drug market.

Sanofi-Winthrop, a US-French joint venture, is typical of many. Its sales of $190m a year in Italy could be cut sharply. Several of its drugs, including the big selling anti-clotting agent, Tiklit, have been consigned to category B.

Even worse hit could be Ares-Serono, a Swiss company whose Italian sales have already fallen by a quarter in Swiss franc terms in the past 12 months thanks to drug price controls and devaluation of the lira.

The company said yesterday it expected sales to continue to fall. Its cancer treatment, TPI, with sales worth $80m a year, has been put into category C.

Opponents of the classifications should be cheered by the apparent anomalies that have arisen. Glaxo of the UK, for example, makes two asthma drugs. The old one, Ventolin is in category A, and the new one, Serevent, is in C. The result is likely to be that Italian asthma sufferers will use the older treatment.

Leading Italian drug companies, some of which say they will lose billions of lire in annual sales as a result of the reclassification, have threatened to take legal action against the health ministry on the grounds of inadequate consultation.

However, Mr Cesare Fassari, a spokesman for the Italian pharmaceutical industry association, has emphasised that his members back the government's decision to update the previous list of free medicines and liberalise drugs pricing.

Strict price supervision and the lengthy bureaucratic steps required to get products on to the old list were partly responsible for the system of kickbacks and other abuses by drugs companies which have come to light in recent months in Italy's long-running political corruption scandal.

The industry, however, argues that the new classifications are likely to need considerable revision within the next 60 days, when a new price structure designed to bring Italian drugs prices into line those elsewhere in Europe, comes into effect.

Senior government officials recognised yesterday that the new rules would have to be altered to make them more transparent and potentially to soften the blow for pharmaceutical companies.

QUOTED PHARMACEUTICAL COMPANIES IN ITALY

Name	Sales (1992) $m	% of prescription drug sales
Pharmarcia (Sweden)	630	18
Glaxo (UK)	605	8
Hoechst (Germany)	550	9
Merck (US)	550	7
SmithKline Beecham (UK)	400	8
Sandoz (Switzerland)	375	10
Roche (Switzerland)	355	9
Bristol Myers Squibb (US)	350	6
Bayer (Germany)	350	8
Ares-Serono (Switzerland)	300	40
Pfizer (US)	270	6
Ciba Geigy (Switzerland)	240	5
Schering AG (Germany)	240	10
Rhone Poulenc Rorer (France)	230	7
Johnson and Johnson (US)	220	5
Lederle (American Cyanamid)	195	11
Sanofi-Winthrop (France-US)	19011	
Schering Plough (US)	180	6
Wellcome (UK)	175	7
Zeneca (UK)	160	6
Astra (Sweden)	140	5
Others		
Fisons (UK)	58	8
Boots (UK	40	8

Source: Lehman Brothers Total Italian market (source Glaxo), $12bn, 6 per cent of the world's market ($203bn in 1993).

Lawyer's claim at VW-GM court case:

Ten years of know-how was gained 'overnight'

By Christopher Parkes in Frankfurt

By poaching eight General Motors employees last year, Volkswagen gained access "overnight" to a fund of business know-how built up by the US group over almost 10 years, a Frankfurt court was told yesterday.

If VW had succeeded with its scheme to lure away a further 21 purchasing and production experts, the result would have been a "catastrophe" for General Motors Europe, according to Mr Heinz Wetterkamp, a lawyer representing Adam Opel, GM's German subsidiary.

Mr Wetterkamp was pleading in the first open-court confrontation between the rival motor groups since VW's controversial hiring of Mr José Ignacio López de Arriortúa, GM's former global purchasing chief, last March.

Opel claims VW set out systematically, and in breach of competition rules, to woo away key GM personnel, and demands that the seven men who followed Mr López almost immediately be suspended from their jobs for a year.

Mr Jürgen Kicker, VW's lawyer, countered that seven defectors had followed Mr López of their own free will. The charismatic Basque's "warriors" had left the US group because "people feel helpless and isolated" when their chief goes, he suggested.

Mr Kicker, who claimed GM had employed psychological pressure to try to prevent Mr López and at least one of his colleagues from going, said penalties such as suspension from work could only apply in cases of "massive poaching". Mr Wetterkamp was basing his case on seven people, he said.

However, files before the court contain affidavits from a further 20 Opel employees who claim to have been approached by Mr López and others. Some were allegedly offered doubled salaries.

Although yesterday's civil suit is formally unconnected with a continuing criminal investigation into allegations of document theft and industrial espionage against Mr López and three of the seven, Mr Wetterkamp wove details from the two cases together in an apparent bid to persuade the court that the defections had been carefully plotted.

Mr López had arrived in Germany on March 16. A special aircraft almost immediately brought in 20 boxes of documents which had earlier been sent to Spain at Mr López's request. Within days, when his followers started to arrive, a "task force" had been set up to file data in computers, GM documents from the boxes were shredded in VW's private company guesthouse, and all seven men were promptly installed in new jobs. "Preparations were so far advanced that they could take jobs immediately," Mr Wetterkamp said.

Although Opel had failed in two previous attempts to win temporary injunctions to have the seven men suspended, company officials said after the hearing that they were confident of winning this time. The court is to rule on February 2. It was the first time the full evidence had been taken into consideration, and the judge had refused VW's appeals that he should "take the easy route" and dismiss the case on procedural grounds, a spokesman noted.

Russia to pay $500m for new parliament

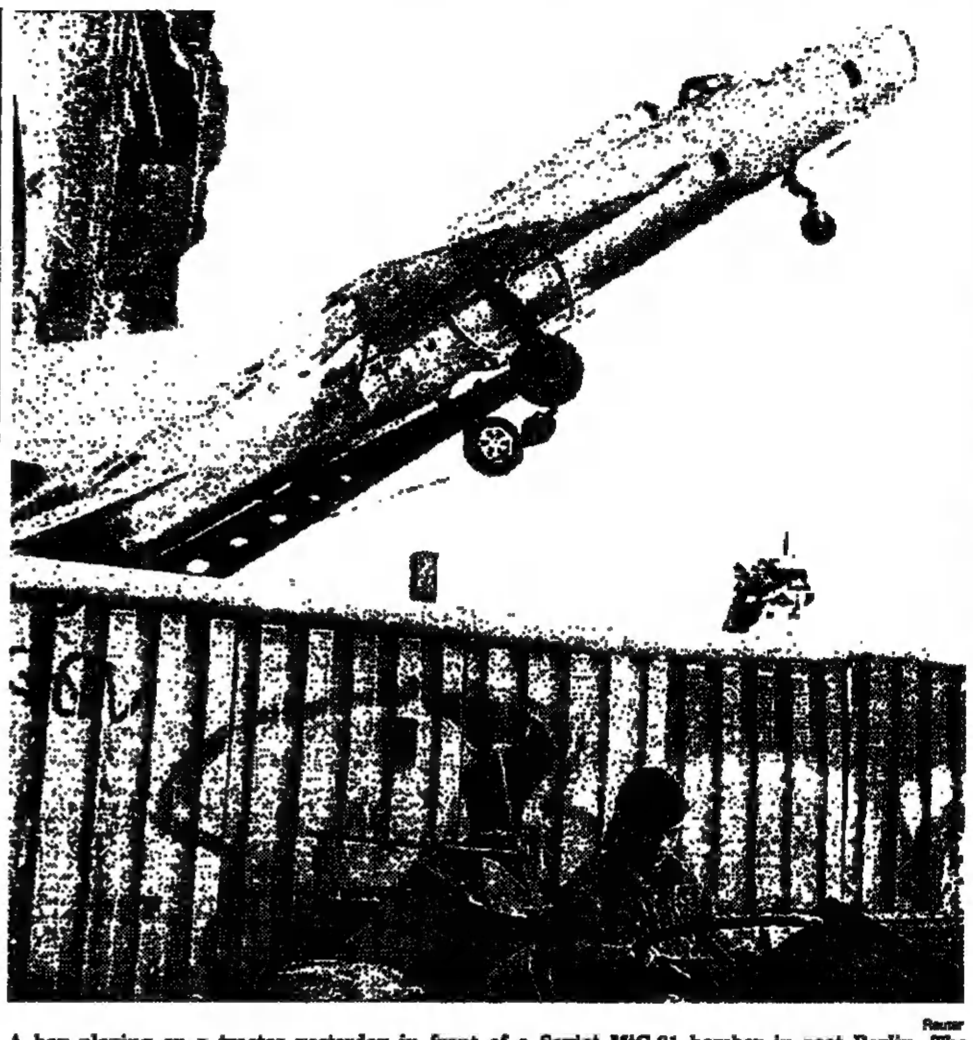
By Leyla Boulton in Moscow

The Russian government, strapped for cash and awash with property, is to spend $500m on a new parliament after taking over the old one for itself.

Mr Pavel Borodin, a senior official in President Boris Yeltsin's administration, told the organising committee for the new parliament that construction would begin next month and take 10 months. Contracts would be awarded this month to foreign companies to erect the complex, complete with a 700-room hotel for deputies.

The government has taken over the old parliament building with Mr Victor Chernomyrdin, prime minister, already occupying the office of the jailed parliamentary speaker, Mr Ruslan Khasbulatov.

The authorities have been unable to clear adequate space for the new federal assembly. Its lower chamber is to be housed temporarily in the former Comecon skyscraper, while the upper chamber is to sit in the former Soviet construction ministry.



Reuter

A boy playing on a tractor yesterday in front of a Soviet MiG-21 bomber in east Berlin. The aircraft is part of a sculpture which stands at the entrance of an arts centre set up after unification

Georgia's former president in 'suicide'

By John Lloyd in Moscow

Mr Zviad Gamsakhurdia, president of Georgia from April 1991 to January 1992, committed suicide on December 31, the official news agency Itar Tass reported yesterday.

However, the Georgian security ministry said that its intelligence sources believed Mr Gamsakhurdia had been shot in Grozny, the capital of the Russian republic of Chechnya, where he had taken refuge since his violent overthrow in January 1992.

Quoting the former president's wife, Manana, the agency said that he had taken his own life after being surrounded at night by "unknown men" in an area in western Georgia following the collapse last October of his attempt to retake power from Mr Eduard Shevardnadze.

A further announcement by his press service in Grozny said that Mr Gamsakhurdia had left a statement before his death, which read: "This act is undertaken in full consciousness, as a sign of protest against the current regime."

NEWS IN BRIEF

Germany to press EU on telecoms

Germany will press for an end-of-decade deadline for the liberalisation of telecommunications infrastructure across the European Union when it assumes the EU's presidency in July, write Andrew Adonis and Ariane Genillard.

Mr Wolfgang Bötsch, German telecommunications minister, said yesterday that Germany wanted to see liberalisation take place two years after competition is introduced in basic voice services, which will take place in 1998 in most EU states. The 1998 deadline will allow telecom operators to provide rival services across each other's networks. However, existing EU policy does not extend to allowing competitors to build their own infrastructure.

The European Commission is due to publish a policy statement on telecommunications infrastructure early next year. But the Greek socialist government, which holds the EU presidency, is unenthusiastic about liberalisation, and little progress is likely to be made until Germany succeeds in July.

The UK is currently the only EU state to allow full infrastructure competition.

However, the Netherlands is likely to allow a consortium of utilities and others to build a second network to compete with the state operator when it is partially privatised this year. Infrastructure competition is also permitted in some Scandinavian countries.

Russian inflation slows again

Russian monthly inflation slowed to 12 per cent in December, the lowest level for the whole of last year after strenuous efforts by the finance ministry to cut spending wherever it could and restrain the country's habit of printing money to finance the budget deficit, writes Leyla Boulton.

This brought annual inflation to about 900 per cent in 1993 from 2,500 per cent in 1992. The monthly rate for December compared to 15 per cent in November and 20 per cent in October.

Bulgarian interest rates surge

Bulgaria's central bank yesterday nearly doubled the interest rate on short-term deposits to defend the plummeting national currency, Reuter reports from Sofia.

The Bulgarian National Bank increased interest rates on one-week deposits by commercial banks to 53 per cent from 27 per cent to support the lev, after the currency hit a record low of 35 levs to the dollar.

Strong dollar demand has seen the lev fall 6.14 per cent in a week and by 43.15 per cent in the past year.

Denmark cuts discount rate

The Danish central bank, encouraged by economic prospects, yesterday announced its ninth discount rate cut in five months, bringing the key rate a quarter point lower to 6 per cent, Reuter reports from Copenhagen.

The bank also released data showing that its foreign currency reserves grew by DKr9.3bn ($1.38bn) to DKr69.8bn at the end of December from the previous month.

The krone has strengthened gradually from levels above DKr4.15 to the D-Mark shortly after the suspension of the exchange rate mechanism (ERM) last August to DKr3.88 yesterday, well within its former narrow ERM band.

Euro-citizens condemn open borders delay

By Andrew Hill in Brussels

The European Union's attempt to end passport controls at internal borders has been "a catalogue of broken promises", according to a Europe-wide citizens' lobby group.

Euro Citizen Action Service (Ecas) yesterday condemned the European Commission and EU member states for failing to abolish checks at internal borders, a year after the original deadline of January 1, 1993.

Since then, the nine members of the Schengen free-travel zone – all EU countries except Britain, Denmark and Ireland – have set and missed two further deadlines and are now aiming to abolish passport checks on February 1.

But Mr Tony Venables, who heads Ecas, yesterday cast doubt on the countries' ability to meet the new deadline. Schengen officials admitted yesterday they could not guarantee that a new computer system, linking national immigration and police authorities, would be in place in time.

"What we are protesting about is that nothing really changed after January [1993]: the same habit of systematic bureaucratic controls continues everywhere, especially at borders," Mr Venables told a press conference yesterday.

Ecas yesterday launched a new telephone "hotline"*, which will allow European citizens to complain about problems with border controls after February 1. Ecas received more than 700 calls, letters and fax messages about border controls when it ran a similar hotline last January. The European parliament has already lodged a complaint against the Commission with the European court, accusing Brussels of failing to enforce EU rules on free movement of people. Ecas yesterday threatened to open a second case.

Siemens and Bull, the German and French electronics groups, have been working on the Schengen computer system for two years, but they have yet to iron out all the software problems. Schengen experts will meet in Brussels on January 25 to decide whether the February 1 deadline can be met. Ecas and the parliament then want Brussels to take tough action to force Britain, Denmark and Ireland to abolish their passport checks.

* *Ecas, 1, rue Defacqz, 1050 Brussels, Belgium. Hotline (from February 1 to February 7): (32 2) 534 4233*

Defenders of the franc

By John Ridding and Alice Rawsthorn

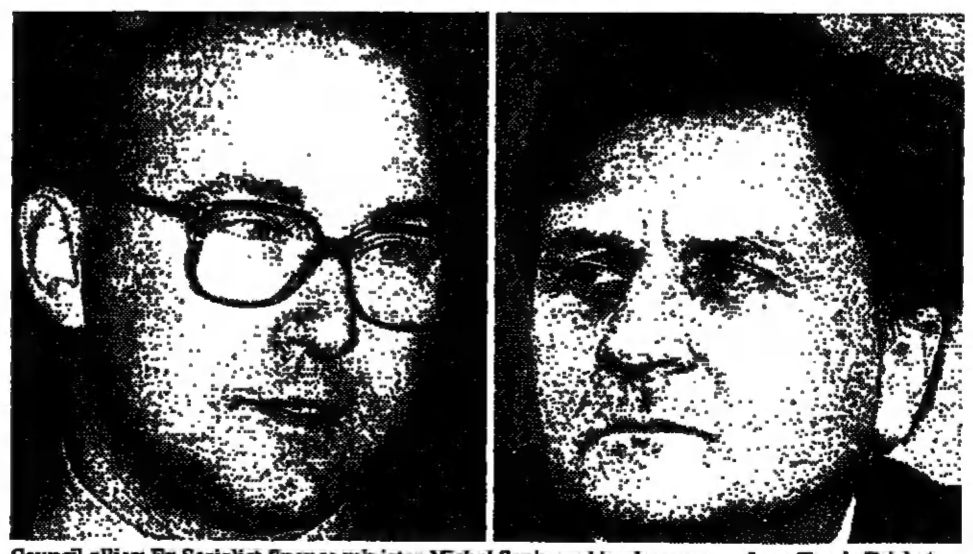
The nine-member council which was yesterday entrusted with the management of France's monetary policy brings together an assortment of individuals from the worlds of politics and business to academia and journalism.

Mr Jean-Claude Trichet, the governor of the central bank, and his two deputies, Mr Hervé Hannoun and Mr Denis Ferman, will be joined by six members who span political and occupational lines.

The best-known of the council members is Mr Michel Albert, 63, who for the past 10 years has been chairman of Assurances Générales de France (AGF), the third largest French insurance group. Mr Albert is as renowned for his writing on economic issues as for his work in the insurance industry.

His 1991 book, Capitalisme Contre Capitalisme, which analysed the structural differences between the French, German and Anglo-Saxon models of capitalism, has been highly influential in France.

Mr Albert, a devout Europhile, has long been committed to the Balladur government's policy of maintaining a strong franc. Those views are shared by the left's representative on the council, Mr Michel Sapin, finance minister in the former Socialist government. Mr Sapin, who at 41 is the youngest member of the committee, demonstrated his commitment to a strong franc during his 11-month tenure as finance minister.



Council allies: Ex-Socialist finance minister Michel Sapin and bank governor Jean-Claude Trichet

His appointment was the subject of a dispute between the Socialist president, Mr François Mitterrand, and Mr Balladur. The prime minister, concerned about the appointment of a politician close to Mr Michel Rocard, the Socialist leader, finally agreed to the appointment on Tuesday night.

Also contested was the appointment of Mrs Denise Flouzat, an economics professor, who has worked at several universities including the Sorbonne in Paris. She fought off a challenge for the final place on the committee from Mr Alexis Gourvennec, head of Brittany Ferries.

In laying out his plans for an independent Bank of France last summer, Mr Edmond Alphandéry, the economy minister, said he did not want the monetary policy council to be dominated by the "Parisian monetary intelligentsia". But Mrs Flouzat, who is 65 and the only woman on the council, ensures that there will be one representative of this group.

The voice of industry is expected to come from Mr Jean-Pierre Gérard, head of France's national standards testing laboratories. An engineer, Mr Gérard was chairman of Thomson Jeumont, the cables group, in 1980-1984.

Mr Balladur can expect support for the *franc fort* from Mr Jean Boissonat, the media's representative on the council. Mr Boissonat, 65, an economics commentator, has long advocated monetary stability.

The ninth member of the council is another financial heavyweight, Mr Bruno de Maulde, 59, chairman of the Conseil des Bourses de Valeurs, the stock market watchdog, and a former chairman of Crédit du Nord, a retail banking subsidiary of the Paribas group.

Neither a Fed nor a Bundesbank

By David Buchan in Paris

The monetary policy committee (MPC) is the only part of the Bank of France which will now be independent of overt government control.

The government will retain a say in the remaining Bank of France activities, which include supervising commercial banks, compiling corporate data, running the payments clearing system, providing management advice to industry, and conducting some private banking.

The government decided to leave the central bank's structure intact, but to create within it the MPC as a sanctuary against political influence on monetary policy, money supply, interest rates and the consequences of these for the external and internal value of the franc.

The MPC's nine members – the six outside directors appointed yesterday and the the bank's governor, Mr Jean-Claude Trichet, and his two deputy governors – are forbidden to "solicit or accept" external instruction on the conduct of monetary policy. But as Mr Edmond Alphandéry, the economy minister, said yesterday: "The bridges with the [economy] ministry are not cut. Concertation and discussion [with the government] will obviously be maintained as in the US or Germany."

The issue of accountability remains unclear. The MPC, which will hold its first meeting next week, is different from both Bundesbank and Federal Reserve. It must decide the degree to which its president should follow the Fed example of appearing regularly before parliament, or the Bundesbank example of press conferences, or combining both.

THE FINANCIAL TIMES
Published by The Financial Times (Europe) GmbH, Nibelungenplatz 3, 60318 Frankfurt am Main, Germany. Telephone ++49 69 156 850, Fax ++49 69 5964481, Telex 416193. Represented by Edward Hugo, Managing Director. Printer: DVM Druck-Vertrieb und Marketing GmbH, Admiral-Rosendahl-Strasse 3a, 63263 Neu-Isenburg (owned by Hürriyet International). Responsible Editor: Richard Lambert, c/o The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL, UK. Shareholders of the Financial Times (Europe) GmbH are: The Financial Times (Europe) Ltd, London and F.T. (Germany Advertising) Ltd, London. Shareholder of the above mentioned two companies is: The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL. The Company is incorporated under the laws of England and Wales. Chairman: D.C.M. Bell.

FRANCE
Publishing Director: J. Rolley, 168 Rue de Rivoli, F-75044 Paris Cedex 01. Telephone (01) 4297-0621, Fax (01) 4297-0629. Printer: S.A. Nord Eclair, 15/21 Rue de Caire, F-59100 Roubaix Cedex 1. Editor: Richard Lambert. ISSN: ISSN 1148-2753. Commission Paritaire No 67808D.

DENMARK
Financial Times (Scandinavia) Ltd, Vimmelskaftet 42A, DK-1161 CopenhagenK. Telephone 33 13 44 41, Fax 33 93 53 35.

NEWS: THE AMERICAS

Mexican air force bombs rebels

Peasants retreat into the jungle

Mexican forces yesterday stepped up their counter-attack against peasant rebels in the southern state of Chiapas, while the federal government reiterated its willingness to seek a negotiated solution, agencies report from San Cristobal de las Casas.

The air force launched a bombing attack on supposed rebel strongholds in the hilly outskirts of San Cristobal, witnesses said yesterday.

The attack was launched in the same area where the Mexican army fired rockets on Tuesday night at rebels who began an uprising on New Year's Day.

Journalists were interviewing witnesses to the rocket attack when the bombing took place. People dived under cars for cover and it was not immediately clear whether there were any injuries.

Many of the rebels, who are protesting at the conditions of peasants in the poverty-stricken state, appear to have retreated into the southern jungles in the face of the military onslaught.

At dusk on Tuesday, army aircraft bombed a poor neighbourhood near a military base south of San Cristobal. Witnesses saw five warplanes and counted seven bombs. There were no immediate reports of damage or injuries. Tanks were also reported to have been deployed against the rebels.

A dirt road leading to the bombed neighbourhood was blocked by scores of tense soldiers who refused access to reporters. They said they were still searching for guerrillas who had set up positions near a small mountainous village called El Corralito, just to the south.

Mr Eloy Cantu Segovia, an adviser to Interior Minister Patrocinio Gonzalez, said yesterday of the earlier air attacks that the aircraft were summoned on Tuesday evening by troops who had been surrounded by rebels. "Thus this means the army was only defending itself; it was not a punitive action," he said.

Mr Cantu said that before peace talks could take place the rebels must cease hostilities, turn over their arms including 3,000 pounds of dynamite stolen from the state oil company Pemex the day before the uprising, identify their leaders and release kidnap victims.

A military statement said 93 people had been killed in four days of fighting, including seven soldiers, 59 rebels and 27 civilians and police. Eight rebels were detained, the statement said.

The rebels pulled out of three towns they occupied on New Year's Day. The army reported continued sniping in Ococingo, scene of the fiercest fighting, and in some other areas.

The rebels, calling themselves the Zapatista Army for National Liberation, are protesting at injustices in Chiapas, a state plagued by poverty, illiteracy and chronic land disputes. They appeared to have some 1,000 fighters.

The army had about 14,000 soldiers in Chiapas, the independent Excelsior news agency reported.

Msgr Samuel Ruiz, the area's Roman Catholic bishop, said the rebels had not responded to the church's offer to mediate the conflict.

Mr Ruiz said he was worried the army's "massive response" might result in human rights violations. He called for a ceasefire and for international observers to come to Chiapas.

READY FOR ACTION: Rebels from the Ejercita Zapatista de Liberacion Nacional in Huixtan village, Chiapas state, yesterday Reuter

Recovery contrasts with fall in Japan

New car and truck sales in US up 8%

By Kevin Done, Motor Industry Correspondent, in Detroit

Sales of new cars and light trucks in the US rose by more than 8 per cent last year to around 14.2m, the highest level since 1989, according to provisional industry figures.

Sales rose by 1.1m from 13.1m in 1992 and 12.5m in 1991, the low point of the last recession. The US market peaked at 16.3m in 1986.

The strengthening recovery in the US new vehicle market is in stark contrast to the steep fall in demand in Europe last year. It also contrasts strongly with the further drop in new vehicle sales in Japan, where demand has fallen for three years in succession.

The increase in sales in the US has been driven by the surge in demand for light trucks, such as pick-ups, mini-vans (multi-purpose vehicles), vans and four-wheel drive sports/utility vehicles, now accounting for about 40 per cent of the US passenger vehicle market.

Light truck sales, still dominated by the big three US vehicle makers, General Motors, Ford and Chrysler, rose 16 per cent last year to a record 5.7m; car sales rose 4 per cent to 8.5m.

US carmakers outperformed the market with a 10.4 per cent increase in new vehicle sales.

Japanese carmakers, which have been forced to increase prices more quickly than their US rivals under pressure from the strong appreciation in the value of the yen, have lost market share.

The rapid improvement in the fortunes of the domestic US vehicle makers was led by Chrysler, the smallest of the big three, which increased its total vehicle sales 19.9 per cent to 2.047m from 1.71m a year earlier.

Sales of light trucks by Chrysler accounted for 59 per cent of its total sales volume last year but the company is strengthening its position in the car market with the launch of a series of new models this year.

US carmakers outperformed the market; the Japanese have lost market share

These included the Neon small car and the Chrysler Cirrus/Dodge Stratus large family cars, which were unveiled this week at the Detroit motor show.

Chrysler, which is undertaking a rapid renewal of its product range, increased its car sales last year by 23.1 per cent to 834,132, while its light truck sales rose 17.8 per cent to 1.2m.

Ford also performed strongly and accounted for five of the top 10 best-selling vehicles in the US.

Its full-sized F-series pick-up was the best-selling vehicle in the US at 565,000, while the Ford Taurus was the best-selling car at 360,000, ahead of the Honda Accord at 330,000.

Ford's total vehicle sales increased 12 per cent to 3.6m. Its car sales increased by 6 per cent to 1.878m, while light truck sales rose by 19.4 per cent to 1.68m.

General Motors, the world's biggest vehicle maker, suffered a further small erosion of its US market share to about 33 per cent. Its total vehicle sales rose 5.9 per cent to 4.7m.

GM, whose North American automotive operations are being drastically restructured after several years of heavy losses, increased its new car sales by 2 per cent to 2.93m, while its truck sales increased 13 per cent to 1.79m.

Among the Japanese carmakers, Honda's sales in the US fell 7.3 per cent last year to 717,000.

Total vehicle sales by Toyota, including its Lexus luxury car division, increased 1.3 per cent to 1.033m.

Sales of cars under the Toyota brand fell 2.1 per cent.

Nissan, the second biggest Japanese carmaker, staged a strong recovery after falling behind its Japanese rivals in the US.

Its total sales, including the Infiniti luxury car division, rose 17.9 per cent to 680,000.

Kravchuk faces Clinton squeeze

By George Graham in Washington

President Bill Clinton will not meet President Leonid Kravchuk of Ukraine during his visit to Moscow next week unless significant progress has been made on US demands that Ukraine honour its promises to give up the nuclear weapons based on its territory.

Although talks between the US, Russia and Ukraine on the nuclear missile issue have accelerated in recent days, White House and State Department officials have been much more cautious about the prospects for reaching agreement than have their Ukrainian counterparts.

In Kiev, Ukrainian officials have been reported as saying that Mr Kravchuk had already been invited to Moscow by President Boris Yeltsin.

US officials, who have been meeting this week in Washington with Mr Valery Shmarov, the Ukrainian deputy foreign minister, insisted nevertheless that a deal of such importance could not be rushed through just to fit in with the Moscow summit.

"My understanding is the meeting will occur if President Kravchuk is prepared to sign on behalf of Ukraine the non-proliferation treaty; likewise, the pledge that all the SS-19 and SS-24 missiles will, in fact, be dismantled and the warheads shipped back for destruction in Russia," Senator Richard Lugar, who is visiting Moscow, said yesterday.

Although Ukraine made these promises in 1991, it has not lived up to them. It has found that it tends to be taken more seriously both as a foreign policy voice and as a recipient of economic aid while it still holds nuclear weapons on its territory.

● US Defence Secretary Les Aspin, yesterday spoke to Russian Defence Minister Pavel Grachev on a new hotline, Reuter adds.

The hotline talk was another step in warming relations between the former cold war superpower foes. The US and Russian militaries will hold a joint exercise next summer.

The direct telephone link between the offices of the defence leaders is an addition to existing hotlines linking the US and Russian presidents and a teletype connection between military "war rooms" in Washington and Moscow.

NEWS IN BRIEF

US top brass to visit Vietnam

The head of the US Pacific Command will visit Vietnam this month, the highest-ranking active-duty US military officer to do so since American forces withdrew in 1973, Reuter reports from Washington.

Admiral Charles Larson is due to arrive in Hanoi on January 16 for a three-day visit in which he will discuss prisoner-of-war and missing-in-action issues, the Pacific Command said yesterday.

The visit coincides with the stepped-up debate in the US on whether Hanoi's co-operation on the POW/MIA matter warrants further relaxation of the two-decade US trade embargo against Vietnam.

US schools 'more violent'

US schools are becoming more violent with increasing assaults, fist fights, knifings and shootings in city, suburban and rural schools, according to the National School Boards Association, Reuter reports from Alexandria.

Venezuela jail toll at 122

The death toll in Venezuela's worst prison riot yesterday climbed to 122 with the discovery of the charred remains of at least 15 inmates in a tunnel prisoners had dug to escape, Reuter reports from Caracas.

Authorities said the corpses were burned so badly it was difficult to determine the exact number, but they believe there were between 15 and 17. The tally was expected to rise.

Support for Haiti action

Exiled Haitian President Jean-Bertrand Aristide says he would support a surgical strike by international forces to topple his nation's military government, Reuter reports from Miami.

FT-ISMA INTERNATIONAL BOND SERVICE

THE FT-ISMA International Bond Service, published on Monday to Friday in the Financial Times, shows daily prices, provided by the International Securities Market Association, for a selection of the most actively traded Eurobonds and related securities, picked from the sectors which best represent current market conditions.

The service sets out to include certain "benchmark" issues within the space available, while still trying to maintain a broad spread of borrowers and currency groups.

Selections are reviewed regularly by the Financial Times and the International Securities Market Association.

China proves a risk too good to resist

Louise Lucas on the attractions and frustrations that banks find on the other side of the open door

Angelina Fung lives in Shanghai in a five-star hotel which she says might as well have 500 for all it can compensate for the apartment and lifestyle she gave up in Hong Kong. The hotel offers only six-month corporate rates to guests such as Ms Fung because inflation makes it impossible to set prices over a longer period.

Vice-president of the foreign investment business sector division of Citibank China, Ms Fung cannot look forward to early relief. But China, where every day seems to bring new economic reforms and improved access to foreigners, is the market every bank wants to win a share of.

Citibank underlined its commitment to the market last August, when it moved its country headquarters – plus personnel – to Shanghai from Hong Kong. It is just one of the international players forging a role for itself in China, even though the big business – local yuan business – is still closed to foreign banks. Overseas institutions can only deal with ventures which are at least 25 per cent foreign-owned.

"Undoubtedly what we want is the renminbi [China's national currency] business," says Mr Anthony Russell, managing director of Hongkong Bank China Services, "and we have got one hand tied behind our back until that happens. How quickly will we be allowed to build it up? That's the long-term objective of the foreign banks."

Instead, trade and project financing form much of the bread-and-butter work. China, as an emerging country on a grand scale, has a full quota of property and infrastructural development projects under way, many of them at an early stage. These projects carry no security for their financiers – be it a charge on the property underpinning the project or on cash flows – and banks are forced to scrutinise the guarantors behind the project, usually a Chinese bank or state-owned investment arm.

There is tentative talk of a national mortgage law, but at this stage laws are either untried or at a rudimentary stage.

Credit analysis is further frustrated by the fact that disclosure of information by companies to creditors is sketchy.

"Being banks we are in a risk-taking business, but we need to know what kind of risk we are taking. This is one of the major problems," says Ms Fung, while Mr Russell dubs it "much more hairy" than assessing more familiar borrowers' credentials.

Mr Tony Nicolle, general manager for Hong Kong and China at Standard Chartered Bank – Hong Kong's second note-issuing bank – says processing trade finance paper on behalf of Chinese export companies dominates the day-to-day work of the branch network in China, along with foreign lending. The group will have 14 branch and representative offices by March.

On top of corporate banking, full service houses such as Citibank, Standard Chartered and Hongkong Bank are able to tap into the securities market via specially designated shares available to foreigners.

Overseas bankers reckon Beijing's long-awaited move last Saturday to unify exchange rates by scrapping the official rate clears the way for the authorities to grant overseas institutions the right to conduct yuan business.

"The jungle drums suggest that some breakthrough will come this year," says Mr Russell. "The People's Bank of China [the central bank] has been saying for a while that there are two obstacles.

"One is the different rates of exchange – the official rate and the swap centre rate. The other is the differential in taxation between foreign banks and the domestic banks. The domestic banks complain of an unlevel playing field because they pay twice as much tax."

Mr Russell says the ministry of finance has introduced regulations that will enable the domestic banks to have a similar tax structure. "So these two big problems are being removed."

However, dismantling the fundamental obstacles still leaves a host of technical issues. Not the least of these, from the Chinese authorities' viewpoint, is how they will manage to retain control over money supply when foreign entrants, operating on a different basis from the local banks which can be held in check, enter the picture.

Yet to be decreed are how foreign banks can procure the yuan they lend and, supposing they are allowed to receive yuan deposits, how they prepare for alternative sources if deposits are withdrawn; what liquidity requirements will look like; and what – if any – discount window facility will be employed.

Banks with a strong presence across the border in Hong Kong see themselves at an advantage to other international competitors. The colony plays a pivotal role in dealings with mainland China, especially in terms of trade and capital raising, and allows the bank to establish strong links with overseas Chinese, who dominate direct investment and trade in China.

So far, with the exception of the Jardine group, which was singled out for a harshly-worded verbal attack by Beijing, business has not been dragged into the political conflict that is raging over the future of the colony and its transitional arrangements for return to China in 1997.

"We are businessmen and have sought scrupulously to avoid being in political difficulties that have arisen between Britain and China," says Mr Nicolle.

"As a prominent bank in Hong Kong we are committed to promoting the stability and prosperity of Hong Kong just as much as the British and Chinese governments are and we hope we can go forward knowing it is in all our interests not to get business and politics mixed up."

Mr Chris Patten, governor of Hong Kong, is likely to introduce the more controversial elements of his democracy reform proposals to the Legislative Council in March, according to the government radio, Louise Lucas reports. Beijing has already reacted strongly to the tabling of the so-called non-controversial elements, which include lowering the voting age to 18 from 21, and says it will dismantle all elected bodies upon regaining sovereignty.

Israel hit by interest rate policy row

By Julian Ozanne in Jerusalem

Israel's central bank and finance ministry were at loggerheads yesterday over interest rate policy – a row that has become a public war of words.

The argument between Israel's two main economic policy-making bodies focuses on interest rates and inflation and their impact on economic growth after the Bank of Israel asserted its independence and raised interest rates without consulting the ministry.

Mr Aharon Foegel, finance ministry director-general, accused the bank of jeopardising economic growth and subverting the government's political goals. The bank labelled the ministry's objections a "policy of chatter whose sole contribution is to shake economic stability".

A central bank official said the bank had decided to raise interest rates to commercial banks last week by 0.8 per cent from 9.7 to 10.5 per cent, to curb rising inflation. Commercial banks followed suit, increasing the prime lending rate from 11 to 11.8 per cent. According to preliminary estimates, inflation last year was 11.5 per cent against the government's target of 10 per cent. The central bank felt this year's target of 8 per cent would be unobtainable unless interest rates were increased.

"The greatest contribution the Bank of Israel can make now is by instilling an environment of stability and sticking to the inflation target; we are in a comfortable position to stick to our guns, because output has been growing dramatically and there is no better environment to take another bite at inflation," Mr Jacob Frenkel, governor of the Bank of Israel, told the Financial Times yesterday.

Mr Foegel said the central bank's move threatened the government growth target of 6 per cent this year; higher interest rates would fuel inflationary pressures and harm the economy's leading industrial growth sectors. Last year's inflation rate was largely due to housing prices which rose 20 per cent. The only way to curb inflation was to attack housing prices by a series of measures to increase the supply of private land, low-cost housing finance and tax incentives in the housing sector.

"We should create a monetary policy which suits the economic goals set by the government...the central bank must be co-ordinated with the government's political goals and with those in charge of them," Mr Foegel declared.

Mr Frenkel yesterday rejected Mr Foegel's criticisms. He said the bank had exclusive control over monetary policy and it was an asset to "maintain the strongest independence of the central bank."

Mr Gideon Schurr, central bank spokesman, said the central bank did not fundamentally disagree with Mr Foegel's analysis of the reasons for high inflation but until the government moved to lower housing prices, the Bank of Israel would maintain its current interest rate policy. "The finance ministry is not acting quickly enough by giving or selling more land to the market. Once we are back on target for an inflation rate of 8 per cent, of course we will reduce interest rates again."

NEWS IN BRIEF

Man dies in clash at Bhutto home

Police yesterday fired on supporters of Pakistan prime minister Ms Benazir Bhutto's jailed brother who were demonstrating outside her family home in the city of Larkana, writes **Farhan Bokhari in Islamabad.**

One man died and seven were injured.

The incident was the worst in the family tussle between Ms Bhutto and her estranged brother, Murtaza, who is in prison on charges of sponsoring anti-government terrorism during his 16 years of exile.

Mrs Nusrat Bhutto, their mother, was among the demonstrators when riot police armed with teargas and assault rifles, opened fire to stop the activists reaching the grave of her husband, Mr Zulfikar Ali Bhutto, the former prime minister hanged in 1979. Mr Murtaza Bhutto's supporters had vowed to stop Ms Benazir Bhutto from reaching the site and offering prayers, because they consider her brother to be the true heir to the family's legacy.

UN staff flee Afghan fighting

The United Nations tried to evacuate most of its staff from the northern Afghanistan city of Mazar-i-Sharif yesterday, as looters robbed its storehouses and offices amid worsening fighting, **Steve LeVine reports from Tashkent.**

The fighting imperilled 18,000 refugees from the ex-Soviet republic of Tajikistan, living in a UN camp near Mazar-i-Sharif.

In the most widespread fighting in Afghanistan since the Moscow-backed government fell in April 1992 the violence in Mazar-i-Sharif was an extension of heated battles going on in the capital, Kabul. The fighting has been the worst threat faced by the Afghan president, Mr Berhanuddin Rabbani, a Tajik, in more than a year of rocket attacks on Kabul by ethnic rivals.

Australian trade gap optimism

Australia's current account deficit for the financial year to June will be lower than the official forecast of A$18bn (£8.25bn) in the budget, the treasurer, Mr Ralph Willis, said yesterday. **Bruce Jacques reports from Sydney.**

His comment follows figures from the Australian Bureau of Statistics yesterday showing the current account deficit for November fell from a revised and seasonally-adjusted A$1.286bn to A$1.162bn.

An Australian firefighter tackles burning undergrowth in an attempt to bring under control the worst bush fires in 15 years. Three people have died in the fires, in New South Wales, about 500km north of Sydney Associated Press

Lebanon's biggest stock offering aims to raise $650m from Arab investors

Beirut rebuilding shares 'oversubscribed'

By Mark Nicholson in Cairo

Lebanon's biggest share launch – to establish Solidere, the company which will rebuild war-torn central Beirut – will be oversubscribed, the company and bankers handling the offering said yesterday.

The offer, designed to raise $650m towards the costs of rebuilding Beirut, has been open to Lebanese and other Arab investors since November and closes on January 10.

Mr Nasr al-Shamaa, secretary general of Solidere's founding board, said: "We will have a successful subscription, it will be oversubscribed."

The offer represents 35 per cent of the founding capital of Solidere, which is expected to begin putting out to tender the main contracts for the first phase of central Beirut's reconstruction within weeks. The remaining capital comprises shares granted to landowners in the Lebanese capital in exchange for title to their property, which Solidere will develop.

Neither Solidere nor bankers handling the share offer will say how far the offer is oversubscribed, though company officials have hinted that subscriptions may reach $1bn. Bankers said they expected a late rush for the $100 shares this week.

A successful offering would represent the largest injection of private, and expatriate capital into the Lebanese government's ambitious reconstruction schemes and would offer a substantial vote of confidence in the government of Mr Rafik Hariri, the country's businessman-turned-prime minister.

However, the offer is not unanimously popular, and Sheikh Mohammed Hussein Fadlallah, spiritual leader of the pro-Iranian Hizbollah, last week decreed a ban on the purchase of Solidere shares. He said property owners in central Beirut had been compelled to give up their flats, shops and houses, an act which he said Islam considered a sin.

Final allocations of the shares will not be known for up to 10 days after the offer closes. Priority will be given to Lebanese property owners in Beirut, Lebanese nationals living in the country, government agencies, Lebanese expatriates and, finally, Arabs elsewhere. Paribas, in London, and Saudi American Bank, in Riyadh, have both reported healthy demand for placements with Gulf Arabs and Lebanese expatriates.

Non-Lebanese institutions are not allowed to buy shares and no individual holding can exceed 10 per cent. Al-Anwar, the Lebanese newspaper, reported on Tuesday that Mr Hariri had subscribed for the maximum permissible stake.

A secondary market in Solidere shares is expected to open by February, forming a basis upon which the government hopes to rebuild Beirut's bourse. Stock market officials believe a skeletal stock market could be operating within eight months. The original market was closed in 1983, during Lebanon's 17-year civil war.

Peace talks close to compromise

By Julian Ozanne

Israel and the Palestine Liberation Organisation edged towards a compromise formula for resuming peace talks yesterday but Mr Yitzhak Rabin, Israeli prime minister, ruled out a meeting this week.

Although both sides spoke optimistically of resuming talks next week, it is unlikely that the two sides can reach agreement on implementing Palestinian self-rule in the Gaza strip and West Bank area of Jericho before the end of the month.

Fears for the peace accord rose this week as Mr Binyamin Netanyahu, leader of the opposition right-wing Likud party, said he would not honour the agreement if his party was elected to power because he considered the PLO to have reneged on its commitments under the accord.

Mr Netanyahu's statement, which reversed an earlier commitment by Likud to stand by the agreement, was intended to encourage opposition to the peace accord and increase pressure on Mr Rabin to open a dialogue with Likud.

After an intense series of contacts by telephone and fax and a last minute minor compromise by Jerusalem on the issue of borders, PLO and Israeli officials said they were prepared to restart negotiations in the Egyptian Red Sea resort of Taba next week.

However Mr Rabin said a final decision would only be taken today once Israel was certain the PLO had accepted the rules and limits of negotiations.

Israeli officials said resumption of the talks was possible after the PLO dropped several demands intended to increase the symbolic sovereignty of Palestinian self-rule and after Israel agreed to meet one PLO demand for the presence of Palestinian flags and policemen at the Jordanian-West Bank border.

Meanwhile, PLO officials held talks with King Hussein of Jordan yesterday in what Jordanian officials described as a "last chance" to define future Palestinian-Jordanian relations and co-ordinate strategy for peace talks.

Peres' vision, features pages

Japanese car sales reach five-year low point

By William Dawkins in Tokyo

Japanese car sales hit a five-year low in 1993 but could show a weak recovery at the end of this year, the Japan Automobile Dealers' Association said yesterday.

Mr Yutaka Kume, chairman of Nissan, warned that demand was so weak that producers would have to make "strenuous efforts" to curb costs this year.

Japan's 11 motor groups recorded an 8.4 per cent fall in unit sales last year, to 4.88m vehicles, the third consecutive year of decline, said the association.

Nissan became the first Japanese carmaker since the war to close a factory and discounting is becoming common as dealers attempt to attract cautious customers.

Association officials believe sales could revive slightly, to more than 5m this year, assuming that the government's economic packages and expected tax cuts succeed in stimulating demand.

Mr Tatsuro Toyoda, chairman of Toyota, Japan's largest carmaker, recently predicted that the Japanese market might expand to 5.1m units this year.

Among the top producers, Toyota's sales fell by 7.7 per cent, while Nissan was down by 8.4 per cent. Mazda was worst hit with a 16.8 per cent decline, and Honda's sales fell 14.9 per cent.

Exports fell for the eighth year running, partly due to the yen's strength, but also as a result of the general shift of production out of Japan to countries with lower production costs.

Nissan's Mr Kume predicted that exports would fall again this year, within which there would be a steady rise in Japanese car sales to fast-growing Asian markets.

Cambodian offensive planned

Government troops face the Khmer Rouge yesterday Reuter

By Iain Simpson in Phnom Penh

Senior Cambodian generals say they are preparing their forces for an offensive against the Khmer Rouge but they concede their intention is a propaganda victory rather than a military one.

At least 20 soldiers have been killed and 60 injured in sporadic clashes between government and Khmer Rouge forces in western Cambodia since New Year's Day, but it is not clear what strategic gains, if any, have been made by either side.

Diplomats in Phnom Penh believe the government is eager to hold peace talks with the Khmer Rouge but say the national army wants to show it is ready to fight if necessary.

Progress towards talks between the two sides has been painfully slow, held up at every step by haggling over conditions. The Khmer Rouge has said it will only hold talks with no pre-conditions. This has in turn become a serious stumbling block because the government wants to see a clear commitment to a cease-fire before it is willing to negotiate.

Informal contacts have already taken place, notably on December 17 when the senior prime minister, Prince Norodom Ranariddh, met the nominal leader of the Khmer Rouge, Khieu Samphan. However, Prince Ranariddh and his officials have since been eager to point out that these were "just talks, not negotiations".

As if to prove the point, a week after the meeting, government forces launched what senior generals have been calling a "Christmas offensive". So far there has been no sign of large-scale fighting, only skirmishes.

This is the time of year when fighting has traditionally started in Cambodia's long civil war. The beginning of the dry season brings relief for both sides from the muddy roads and impassable terrain of the monsoon rains. The government side, which has a collection of ancient tanks and armoured personnel carriers, is able to use them, as well as moving its heavy artillery into position.

According to one general in western Cambodia, the order to launch the Christmas offensive was accompanied by a warning that this was designed to "put pressure on the DK [Khmer Rouge] for talks, not to ensure a military victory". In any case, he said, the government side was so short of arms and ammunition it could not sustain a big offensive for more than a few days at a time.

Risk-taking wins a cheer at Eximbank

By Nancy Dunne in Washington

Mr Kenneth Brody, chairman of the US Export-Import Bank, after his first year in office, is demonstrating that risk-takers from Wall Street can settle comfortably in the orbit of the "pro-active" Clinton White House.

A chief player in the development of the administration's aggressive export promotion strategy, former investment banker is now focusing on Eximbank's role within that policy.

Where the agency can make a difference, he has concluded, is on ventures which businesses cannot afford themselves and which commercial banks will not touch without US government backing.

Many of these risks will be directed towards the former Soviet Union, where Eximbank recently concluded a long-awaited $2bn (£1.35bn) Oil and Gas Framework to boost rehabilitation of existing production facilities.

To supplement the pact, Mr Brody and his counterparts signed a Project Incentive Agreement to provide financing for new energy projects as well as loans in sectors such as mining and forest products.

Brody: guiding export strategy

Not deterred by the recent Russian election results, Mr Brody, in fact, looks on the bright side. That President Boris Yeltsin did not sack his reformers or halt privatisation efforts is deemed "interesting" and, in any case, designing "appropriate safety nets" for Russians caught up in the transition to a market economy is considered desirable.

Eximbank this year has no loan limit and Congress has authorised almost $1bn – including $300m for the former Soviet republics – to pay the costs of financing. This means the bank could leverage up to $18bn for guarantees, insurance and direct loans. But the chairman seems less concerned by the quantity of loans than the challenge of designing loans for shrewd deals which others might sidestep.

He is boosting project finance, exports of environmental goods and services and small business exports. He has established a special group for aircraft finance.

Much effort is going in a shift on customer services. Preliminary financing commitments, which once took an average of six weeks to issue, are turning around more swiftly; half the applicants are getting answers in 7½ days.

Eximbank has $150m this year to counter the tied aid deals – mingling commercial credits with government aid – offered by US competitors. Just a few have been offered so far (including one "substantial" deal for China), but last year the use of tied aid fell dramatically – from $15bn in 1991 to $6bn. Mr Brody expects to compete aggressively in the world's emerging markets, where the greatest growth is expected. He envisions more tied aid activity, project finance and substantially more product activity in China.

Malaysia purchase for Laing

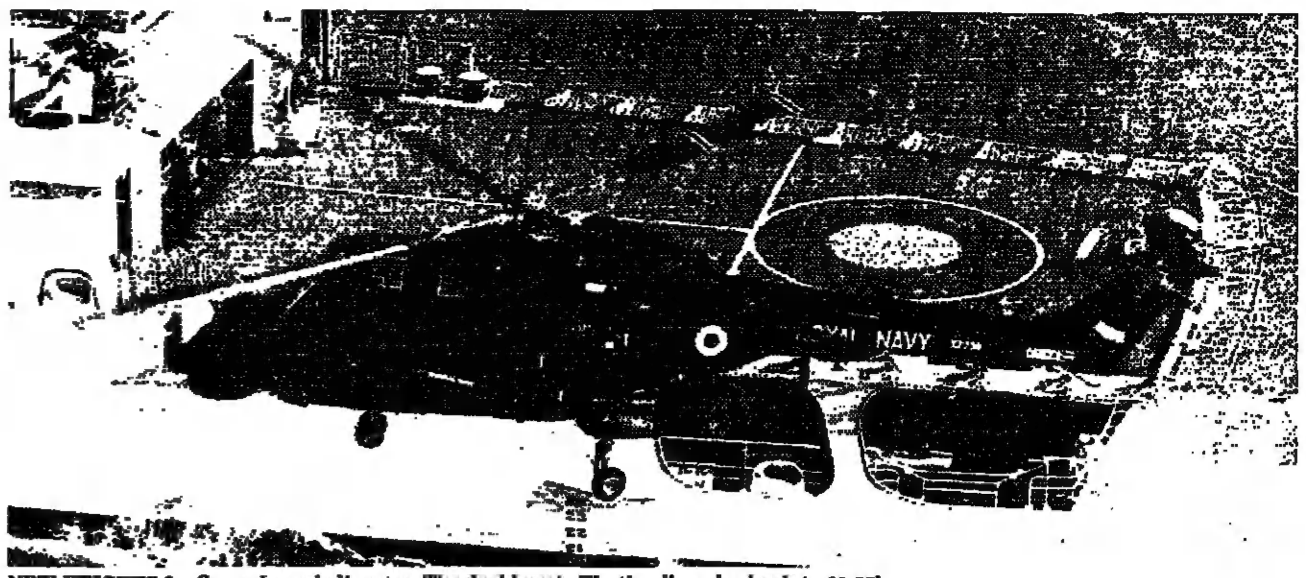
By Andrew Taylor, Construction Correspondent

John Laing, the UK construction group, has acquired a 5 per cent stake in YTL Power Generation, which has been contracted to build and operate two privately financed power stations in Malaysia where it is based.

International construction companies increasingly are acquiring stakes in ventures involved in private infrastructure projects to increase their share of this work.

Laing, which has been appointed project manager for building and civil engineering works of two gas turbine combined cycle power stations at Pasir Gudang and Paka, is paying M$45m (£12m) for 5 per cent of the ordinary and redeemable preference shares of YTL. The construction contract to Laing is worth just M$17m. Laing said its decision was "a further step in the group's strategy of increasing involvement in private infrastructure projects worldwide."

The two power stations, costing a combined M$3.5bn, are due to be completed next year. The first dividends are expected to be paid to shareholders in 1997.



NEW HEIGHTS for Super Lynx helicopter. The deal boosts Westland's order book to £1.55bn

£150m Brazil deal for Westland

By David White, Defence Correspondent

Westland, the UK helicopter manufacturer, has clinched a £150m order from the Brazilian navy after protracted contract discussions and strong French and US competition.

Mr Alan Jones, Westland's chief executive, said the contract for nine Super Lynx helicopters was the result of more than four years of effort.

The deal includes refurbishment and updating of the Brazilian navy's five existing Lynx helicopters. Other contenders for the contract were the Franco-German Eurocopter joint venture and Kaman of the US.

Together with a recent contract with Norway to supply two Sea King search-and-rescue helicopters, the order helps to compensate Westland for the loss of £400m worth of work on naval helicopters for Canada. The new Canadian government announced in November it was cancelling plans to buy 43 Anglo-Italian EH101 helicopters worth £2.4bn.

The EH101, on which Westland's future is largely pinned, is now on order only for the UK. Italy is expected to place a production contract in the next few months.

Westland's order book stands at about £1.55bn following the Brazilian deal. Production of the helicopters is to start this year, helping to fill spare capacity before EH101 production work builds up in 1996.

The twin-engine Lynx, developed more than 20 years ago under an Anglo-French collaborative programme, remains a strong export prospect for the UK company.

Brazil is the third customer for the upgraded Super Lynx version, already in service in South Korea and Portugal. Mr Jones said further Lynx sales were under discussion in the Far East and the Middle East.

Helicopter sales are among prospective deals which Mr Malcolm Rifkind, UK defence secretary, is due to discuss during a tour of the Gulf region this week. Mr Rifkind will visit Oman, Bahrain, Kuwait and Saudi Arabia.

Japan shies from east Europe trade

By Emiko Terazono in Tokyo

Japan's leading trading houses, discouraged by lower than expected investments and business chances, are reviewing their operations in eastern Europe.

Initially, its trading companies rushed to set up offices in the region, following the fall of the Berlin Wall in 1989 and the eastern bloc's communist regimes. However, investment in the reconstruction of Europe by Japanese companies has remained inactive, as Japan's economy has deteriorated over the past two years.

Treuhand, the German privatisation agency, was forced to closed its Tokyo office last year, due to the reluctance of Japanese companies to invest in former East German companies.

Mitsubishi, the largest trading house, closed down its representative office in Bucharest last October, assigning its Vienna office to look after business in Romania. Nissho Iwai, which currently has seven offices in east European cities, said it would gradually reduce the number of its operations during the year.

The traders' sluggish business has been caused by a fall in imports due to the diminishing purchasing power of local governments as foreign currency reserves have fallen.

"There are far less joint ventures with western countries than we initially anticipated, and business conditions seemed to have worsened since there is no aid from Russia," said Nissho Iwai.

Meanwhile, Itochu said it was still seeing strong growth in Hungary and the former Czechoslovakia.

However the company said it would have to start reviewing other East European operations if the current economic environment in the region continued.

Asia to be focus for investment

Strong yen spurs shift to offshore production, writes **David Dodwell**

Strong Japanese interest in investing in China, south-east Asia and the fast-growing Asian "tiger" economies is forecast to revive the country's foreign investment flows by 1995, according to a survey by Japan's Export-Import Bank.

The revival is being driven by companies in the electronics, chemicals and motor vehicle sectors, the survey reveals. The strong yen, which has raised the cost of domestic production, has spurred many companies to make plans to shift production off-shore.

The survey, conducted by Jexim's Research Institute of Overseas Investment, covered over 330 companies. It showed that foreign direct investment in the manufacturing sector had fallen sharply since recession struck in 1990 and was likely to continue falling this year before turning up in 1995.

Actual foreign direct investment by the 222 companies giving full details for 1992 and 1993 showed a 25 per cent fall, from an aggregate of Y985bn to Y736bn. Jexim predicts a more modest 6.4 per cent fall in 1994 based on estimates received in its latest survey companies.

For the first time in five years, the survey revealed an increase in the number of companies admitting they have plans to invest overseas during the coming three years. From 1989, when almost 84 per cent of companies had such plans, the "bursting of the bubble economy" swept this total down to 54 per cent.

In the latest survey, just over 59 per cent of companies said they had medium-term foreign investment plans.

While the recovery in foreign investment brings Japan nowhere near the boom years of the second half of the 1980s, Jexim points to different reasons for the revival – and different target destinations, mainly in Asia.

Most striking of all is the focus on China. Almost 92 per cent of companies have plans to invest in China over the next three years.

A total of 150 Japanese companies named China in their top five investment destinations, compared with just 65 for the US, 63 for Indonesia, 51 for Vietnam, and 49 for Thailand. Just 18 companies named the UK and Germany in their top five destinations.

The main force behind this renewed strength appears to be the positive investment intentions of companies in the vehicle and electric/electronic industries in such countries as China, Korea, Taiwan, Hong Kong and the Asean countries. The survey says: "Their motives are to seize export bases for their products to be sold in foreign markets including Japan – undoubtedly spurred by the abrupt appreciation of the yen in the first half of 1993."

More than 70 per cent of companies in the electrical machiriery sector now plan to raise foreign investment, compared with just 36 per cent a year earlier. Over 73 per cent of motor manufacturers have similar plans, compared with 52 per cent at the end of 1992.

By contrast, none of Japan's big five iron and steel manufacturers have medium-term foreign investment plans – a clear reflection of chronic global oversupply.

"Investment to advanced countries is suffering the dampening effects of the declines in sales and profits, as well as the acute cost increases of parts imported from Japan," says the survey.

"Companies may well have to adopt short- to mid-term investment programmes to expand sales bases and increase local content."

* *The Outlook of Japanese Foreign Direct Investment: Exim Japan 1993 survey.*

NEWS: UK

Private sector to double motorway stations

By Charles Batchelor, Transport Correspondent

Proposals for up to a further 24 motorway service areas to be financed and built by the private sector are due to be announced by the Department of Transport today.

If all the new service areas win planning permission and are built they will represent a 50 per cent increase on the present network of 53 service areas.

They would fill many of the lengthy gaps which have been criticised by motorists and motoring organisations.

The service areas represent the first wave to win approval by the department following a government decision in August 1992 to remove controls on ownership. Previously companies in the catering and petrol station sectors were obliged to lease sites from the government.

The new regime reduces the minimum distance between service areas from 30 miles to 15 miles and, it is hoped, will lead to a speeding up of the development of new sites. In the past new motorways have opened without any service areas.

With sites costing around £5m to develop depending on the position and the ground conditions companies such as Granada and Forte, the two leading operators, can expect to spend at least £100m on developing the new sites.

The Automobile Association said it welcomed throwing open the system of motorway service areas to private developers. "Additional service areas will give tired drivers more opportunities to take a break, reducing the risk of accidents," it commented.

However it warned against a "mad scramble" for attractive sites, including those where planning permission was easy to obtain, which would still leave gaps in more difficult areas.

At least three of the sites are already under construction including Cherwell Valley, on the M40 near Oxford, which is being built by Granada and is due to open in the spring. Forte is building on sites on the M40 in the Midlands and the M11 near Cambridge.

A further four sites have obtained planning permission. These are at Hapsford on the M56 near Chester, Field Farm on the M4 near Reading, Westenhanger on the M20 near Folkestone and Bowburn on the A1 (M) near Darlington.

Further sites which are being considered include three near Waltham Abbey on the M25, two on the M40 near High Wycombe, and single sites on the M18 near Doncaster, the M6 near Stone and the M4 near Swindon. Where competing sites are close to each other they are unlikely to obtain planning permission.

Adams letter to press for direct talks with London

By David Owen in Belfast

Mr Gerry Adams, president of the Sinn Féin, the political wing of the IRA, is to write to UK prime minister John Major in a bid to press home his calls for direct talks with the British government on last month's Downing Street Declaration.

Serving notice of this intention last night, Mr Adams said the "various interpretations" of the declaration illustrated the need for "full and frank" clarification of the key issues.

Mr Major's "present policy of addressing republicans through the columns of newspapers" was "a childish nonsense and...grossly irresponsible," he said.

Mr Adams's statement overshadowed an increasingly heated war of words between leading politicians in the province over the failure of republican leaders to say definitively whether they will embrace the UK-Irish peace initiative.

The row erupted after Mr James Molyneaux, the Ulster Unionist party leader, made it clear on Tuesday night that he thought the IRA had already effectively rejected the joint declaration and called for tougher security measures against terrorists.

Mr Molyneaux's unexpectedly downbeat remarks were immediately criticised by Mr John Hume, leader of the mainly Roman Catholic Social Democratic and Labour party, and Mr Adams, with the Sinn Fein president describing them as "bellicose."

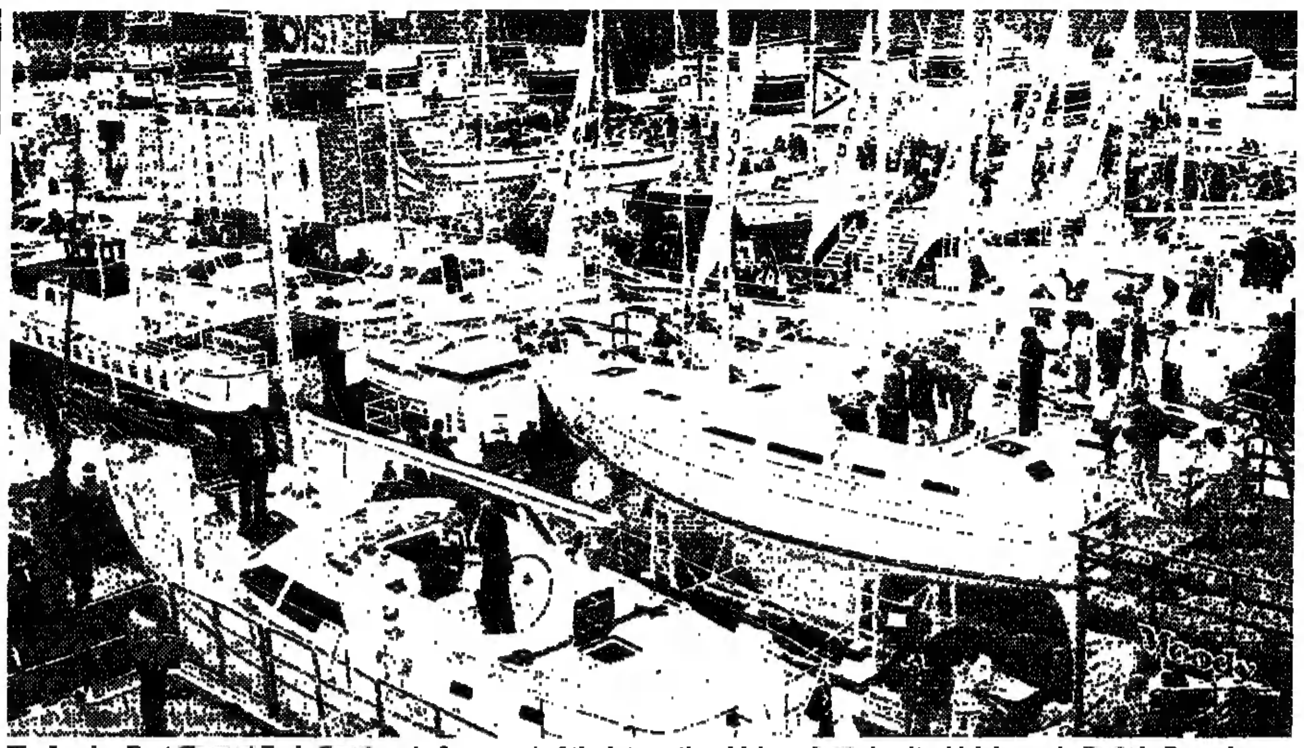
But in Dublin, Mr Dick Spring, the Irish foreign minister, made a point of praising the statesmanship displayed by Mr Molyneaux while urging republican leaders to renounce their 25-year armed struggle.

In a speech to the general council of the Irish Labour party, Mr Spring said: "We must keep sending the message again and again that the causes – or excuses – behind the so-called armed struggle have ceased to have any relevance for anyone on this island."

Reminding Mr Adams of his acceptance last April of a "solemn duty" to change the political climate away from conflict and towards a process of national reconciliation, Mr Spring said the armed struggle would "never persuade, or achieve any form of willing consent."

In yesterday's statement, Mr Adams referred to the British government's "hypocrisy and cynicism" and claimed it was "in reality seeking a public justification for a renewed onslaught on Irish nationalists."

Mr Ken Maginnis, the Ulster Unionist security spokesman, said last night: "One is left to wonder whether this is just posturing by Mr Adams in line with what appears to be a pessimistic attitude emanating from the nationalist community."



The London Boat Show at Earls Court again forms part of the international leisure boat circuit which began in Paris in December

Exports add buoyancy to Boat Show

By Michael Skapinker, Leisure Industries Correspondent

Manufacturers have been arriving at the London Boat Show at the capital's Earls Court complex with the same message for the past three years: trading conditions are dire, but the UK leisure boat industry has survived by seeking out new export markets.

Sunseeker International, the UK's second largest manufacturer, will be showing off its new 63-ft Predator. Sunseeker has so far sold five, at a price of £575,000 each.

One of the buyers was Venezuelan, one Mexican, one Malaysian and two North American. The company is now selling 40 per cent of its output in North America, compared with less than 3 per cent at the beginning of the 1990s.

Despite consumer downturns from the UK to Germany to Australia, the UK boatbuilding industry, the largest in Europe, has largely survived.

The number employed in the industry and associated services such as marinas has fallen to 18,000 from just under 20,000 in 1990.

The Southampton Boat Show last September provided the first indications that UK buyers were returning although two months later the market appeared to die again.

The London show, which brings buyers from around the world, should provide some indication of whether the international market is reviving. It forms part of the international circuit of large boat shows which began in Paris last December and moves on, over the next three months, to Dusseldorf and Miami.

British boat builders have also travelled to the smaller shows in search of orders. When Dubai held its first show last May, UK boatbuilders formed the biggest contingent.

While shipbuilding in the UK has decline, the manufacture of pleasure boats and accessories has survived because it is staffed by enthusiasts.

The industry does suffer from the weakness of other sectors of UK manufacturing. Mr David King, managing director of Marine Projects, the UK's biggest boatmaker, says he has to import his power boat engines from abroad.

Britain in brief

British Steel to close big tube works

British Steel is to close its Bromford works near Birmingham, central England, with the loss of 330 jobs. The closure in April will mean the end of manufacture by the company of large diameter seamless tube.

British Steel said the closure was due to competition from more modern plant and overcapacity worldwide for tube used mainly for power generation and process plant. British Steel still finishes imported large diameter at its Clydesdale plant in Scotland.

New reforms for schools

Vocational education courses will be offered to 14-year-olds, while deep cuts will be made in the national curriculum for younger children, Mr John Patten, the education secretary, announced.

But the moves, which follow sweeping recommendations in Sir Ron Dearing's review of the national curriculum in England and Wales, may not succeed in thwarting continued industrial action by teachers' unions.

Yesterday, he recommended restricting the tests to the "core subjects" of English, mathematics and science, and reducing the proportion of teaching time which must be devoted to the government's prescribed curriculum to around 80 per cent.

Minister goes over affair

Mr John Major, the prime minister, was forced into an unplanned government reshuffle yesterday after Mr Tim Yeo, the environment minister, resigned over an extra-marital affair.

Mr Yeo's job went to Mr Robert Atkins, who moves sideways from the minister of state's job in the Northern Ireland office. Mr Atkins will be replaced by Mr Michael Ancram, the junior Northern Ireland minister, who has co-ordinated talks between the government and Ulster's non-violent political parties. He will retain that responsibility.

Mr Yeo decided to quit after criticism from his constituency association of his affair with a Conservative councillor who bore him a child last year.

UK repays bank credit

The UK's official reserves fell by $674m in December to stand at $42.93bn at the year end, the Treasury announced.

The main reason for the fall was the Treasury's decision to repay the Ecu5bn revolving bank credit arranged in September 1992 to support the pound. The Treasury is using foreign exchange reserves to repay Ecu1.5bn ($1.67bn) of the loan. As $593m was repaid from reserves in December, there will be a further drain on reserves of around $1.1bn in future months.

Manchester bid in for Games

Manchester published its full bid to stage the 2002 Commonwealth Games in competition with rival applications from London and Sheffield. The Commonwealth Games Council for England will choose between the three cities on February 2 to nominate the English bid. London hosted the Games in 1934. Edinburgh – twice – and Cardiff have since staged the games in Britain. New Delhi, Nairobi, Cape Town and a Caribbean city are all likely contenders for 2002, but the 50th anniversary of the Queen's accession is seen as a powerful selling point by all three English hopefuls.

Electricity pool prices fall 1%

Prices in the electricity trading pool in England and Wales fell by about £250,000, or 1 per cent of the £25m total, as a controversial new mechanism aimed at reducing power bills began to have an effect for the first time.

MANAGEMENT: MARKETING AND ADVERTISING

Branded bargains

Neil Buckley on plans for factory outlet centres throughout the UK

As the fuss dies down over the arrival in the UK of warehouse clubs, the US bulk-selling discount format, retailers are waking up to a new threat from the US: factory outlet centres.

After warehouse clubs, these discount centres or malls have been the fastest-growing form of selling in the US over the last decade, with sales reaching $10bn (£6.7bn) last year.

Now, both UK and US developers are planning to build on the success of the first two factory outlet centres in Britain – Hornsea Freeport and Clarks Village. Hornsea Freeport, which opened three years ago in Humberside, attracted 1.4m visitors last year and Clarks Village at Street in Somerset had 1m visitors between opening in August 1993 and the end of the year.

Developers have at least 15 further projects in the pipeline for the UK and then plan to move into continental Europe. These projects will put pressure on traditional retailers, particularly on small independent stores, and expose the clothing sector to the kind of price competition that has developed in the UK grocery industry in the last three years.

Discount factory shops, often situated on factory premises, where manufacturers sell off overmakes, slight seconds, or retailers' returns, are already well-established in the UK. Corporate Intelligence, the retail consultancy, estimates there are at least 1,400.

What developers started doing in the US in the early 1980s, and now want to do throughout the UK, is to group such outlets together in purpose-built malls. Shoppers can then choose from a wide range of branded goods from manufacturers such as Calvin Klein, Nike, Aquascutum or Laura Ashley, at prices up to 50 per cent below conventional retail outlets.

There are almost 300 factory outlet malls in the US, with about another 150 planned. Average size is around 150,000 sq ft, but some are more than 1.5m sq ft - as big as the largest UK out-of-town shopping centres. Forecasters expect total turnover to double to $20bn by the end of the decade.

The centres offer advantages to both manufacturers and consumers. Shoppers have the chance to buy branded goods they otherwise might not be able to afford. They can also turn a shopping trip into a day out, as factory outlet centres are designed as "destination" shopping venues, offering facilities such as playgrounds and restaurants.

Manufacturers enjoy the ability to sell surplus stock at a profit, and in a controlled way that does not damage the brand. Traditionally, surplus stock has been sold into the discount wholesale and retail trade,

Berkeley Commons factory outlet centre, Williamsburg, Virginia

which can include market stalls, where manufacturers do not control their brand image.

"Initially, profit was not the driving factor, it was turning distressed stock into cash," says Paul Knight, retail and factory outlet development manager at shoe manufacturer C & J Clark, which operates Clarks Village.

"But in the US people have realised these malls are not just means of disposing of stock, they are successful profit centres in their own right," says Knight.

US manufacturers have turned factory shops into a powerful marketing tool. Some companies use them to test-market products before launching them in high street stores.

The outlets can also be used to sell current lines – for example, avant-garde designs, that have not caught on in the mainstream retail market.

But opinions are divided on how successful the format is likely to be in the UK. Robert Clark, director of Corporate Intelligence, says there could be scope for up to 50 outlet centres, with annual sales of £1bn.

"We reckon they will prove very popular indeed. There is a thirst for that kind of retailing, and a realisation that these places not only offer good value but a good day out."

Others are more cautious. Richard Ashworth, partner specialising in out of town retailing at Hillier Parker, the commercial property agents, says there may be scope for fewer than 30. "The UK is not big enough for them to proliferate," he says.

US operators have built most factory outlet malls an hour or more's drive from the nearest large city. In the smaller, more densely-populated countries of Europe, few such sites exist.

Another potential problem is opposition from retailers unhappy at seeing their prices undercut by manufacturers selling directly to the public. So far, there has been little opposition from US retailers to the centres, partly because they have been sited well away from cities. McArthur/Glen, one of the biggest US factory outlet operators, says it is sensitive to high street retailers, and does not, for example, use specific brand names in advertisements for its centres.

But European retailers may defend their markets more aggressively. Costco, the US warehouse club operator, had to go to the High Court last year to fend off a joint legal challenge from the UK's three biggest supermarket chains Sainsbury, Safeway and Tesco, aimed at overturning planning permission for its first warehouse club in Britain.

Both the size of the market, and opposition from retailers, may depend on who factory outlet centres appeal to. In the US, where brand-buying is well established and designer labels sought after, factory centres have a broad appeal. In the UK, where retailers such as Marks and Spencer offer quality own-label alternatives more cheaply, it is less clear who the centres' target audience will be.

Knight says research at the Clarks Village suggested it appealed to "brand-conscious, aspirational people. Those who didn't aspire to brands were the ones who went away disappointed," he says. "They were looking for 'cheap', but we are not 'cheap'."

But while factory outlet centres do not sell "cheap" goods, and their share of the UK market could be limited, they are still expected to have a significant impact on UK retailing. Only 10 per cent of clothing in the UK is sold through discount outlets, compared with almost 50 per cent in the US, and factory centres are likely to narrow the gap.

By establishing new lower price "floors" for branded goods they will further increase price competition among retailers, and help turn the 1990s into what retailers are already calling the "value" decade.

Factory shopping centres in the UK

Hornsea Freeport: Operated successfully by Peter Black Holdings for three years.
C&J Clark: Opened centre at Street, Somerset, last year. Opening another in Cumbria and seeking site for a third.
Prime Richardson Tarmac. Consortium of US and UK developers and UK construction company. Plans three centres in Wiltshire, Birmingham and Derbyshire.
BAA, McArthur/Glen: Joint venture between privatised UK airports operator and US outlet centre operator. Plans six centres. Seeking sites in continental Europe.
Value Retail. Consortium of SD Malkin properties and Chelsea Group of the US, and Argent Group and London Metropolitan of the UK. First centre at Bicester, Oxfordshire, due to open this year. Plans up to 10 on motorway corridors.
Guinea Holdings: Complex at Hartlepool due to open in August. Also plans a centre at Kinross, near Perth.
Tobacco Dock: Former jewellery retailer Gerald Ratner is advising a consortium developing a 75-shop centre in London's Docklands.
Factory Outlet Shopping Centres: Pilot centre opened in York last year. Plans 10 to 12 around UK.

Lucy Kellaway on how Kenwood staff became image ambassadors in an advertising campaign

The personnel touch

The picture shows a pretty female athlete sitting on the ground looking sweaty and disappointed. Another shows a middle-aged Japanese man perched on a bar stool playing flamenco guitar. A third is of a young Spaniard scrambling up a rock face.

These images are not designed to sell running shoes, music lessons, or stamina building breakfast cereals. Instead they are advertisements for Kenwood, the Japanese manufacturer of HiFi, car radio and communications equipment.

Kenwood is not the first company to attempt to build its brand through advertisements that have nothing to do with the product it is trying to sell. Indeed, since Benetton started selling sweaters using pictures of newborn babies and men dying of Aids, there have been no limits on possible subject matters for copywriters.

However, the Kenwood campaign presents a departure from the norm: it is among the first to try to create a brand image based on its staff. And stranger still, the images do not concern what its staff do when they are at work, but what they do in their spare time.

The picture of the runner bears the caption: "Tina Shanur. Order clerk, parts department, Kenwood USA. 10km runner. Personal best, 57 minutes 26 seconds. Today. 59.15. Damn, damn, damn."

The message is that these people are committed to whatever they do, they are individuals in their own right, they are strivers and they work for a company that encourages them.

Most companies will trot out the cliché about their people being their most valuable asset. But until now this idea has been used mainly for talking to employees or to shareholders. Kenwood is taking it one step further by putting its people at the heart of its sales thrust to the consumer.

Kenwood recognised that building a brand for electronic products is not easy. Shared technology means there is little difference between the products. Successful advertising must convince people that the brand is suited to their personality. It


Kenwood is trying to create a brand image based on its staff

must create some kind of an emotional link between the brand and the way people feel.

Kenwood gave the agency, Oxfordshire-based Watts Lord, the task of developing a character for the brand that would achieve this. "We did not want something heavy, or something that would say 'we are wonderful'," says Bob Griffiths, the company's sales and marketing director.

The agency hit upon the idea of finding employees at all levels who could become "ambassadors for the brand".

In order to find these ambassadors the company wrote to its branches all round the world for suitable candidates. "These people are not superheros. But they all show personal commitment in fields outside the company", says Ken Buckfield, managing director of Watts Lord.

The agency now has a fat file of employees who deliver meals on wheels, ride horses, restore antique cars, or sail yachts – any of whom could feature in future advertisements.

"We are trying to develop a personality for our products. We are not just a consumer electronics company, we are more like a family," says Bob Griffiths, sales and marketing director of Kenwood UK.

This is brand advertisment of a pretty risky kind. After all, most people have hobbies, and in any organisation it should be possible to find employees who pursue them seriously: indeed, cynics might argue that the more boring the job and badly treated the employee, the more employees will throw themselves into their outside interests.

"You get the message these advertisments are about people, but they are too intangible. I don't really get the connection," says Mac Cato, of Desgrippes Cato Gobe, the image consultancy.

But even if people get the message that Kenwood employees are a family of special individuals, will that really make them more likely to buy the product? "If people can relate to the brand, then they'll put it on the shopping list," says Griffiths.

So far, says the company, the advertisments have gone down well. Consumers apparently like the look of the pictures so much that they have written in asking for copies to hang on their walls.

Rio Takegawa, the guitar player has had invitations to perform a recital. Tina Shanur has been offered modelling work. And Jordi Puyal, the handsome rock climber, has received solicitations from several European women.

Maybe this proves the advertisements have made their mark. Or maybe it shows that people are so literal-minded that when they look at the pictures they think it is the services of the people themselves that are for sale.

TECHNOLOGY

Health-conscious Britons spent a total of £112m last year on health and fitness equipment for their own use

How to get fit in your front room

From microprocessors to polyurethane, Charles Arthur looks at trends in home exercise equipment

As the festive season fades, do you fancy skiing in your front room? Or would you prefer rowing, cycling, skating, or some straightforward sit-ups?

If you have just bought some home exercise equipment as a seasonal present – perhaps for yourself – you have joined the growing army of the health-conscious. A new report from Mintel, the market research company, says that between 4m and 5m people in the UK do some sort of exercise at home, and last year spent £112m on health and fitness equipment for their own use.

The most popular items of exercise equipment, with a third of the market by value, are exercise bicycles. Next, with 25 per cent of sales, is weight-training equipment, followed by rowing machines and "multigyms" – single pieces of equipment which the user can manipulate to exercise different sets of muscles independently – each with 14 per cent.

Languishing well behind are step items; these cover both the "stair-climbing" products, heavily advertised on television, that reproduce the movement of climbing stairs, and the aerobic exerciser consisting of a simple polyurethane step about a metre wide and 25cm high. "Treadmills" (for indoor jogging) bring up the rear with 5 per cent.

Most of these items have been around in some form for years. At present, the overall market is static – a fact that Mintel puts down to consumers' slow emergence from recession. But within it, there are some interesting developments. Exercise bicycles, weight-training and rowing machines have all declined in terms of market share. Instead, "step" items and multigyms have taken their place.

The link is almost certainly technology, mixed to some extent with the glamour of the new. Most noticeable is the advent of computers. As the cost of microprocessors has fallen rapidly, it has become cheap to add them to any sort of fitness machine to provide an eye-catching promise of more information about how much gain the user is receiving for all that pain.

Nowadays, any machine without a light winking at and chiding the prospective user tends to be passed over. Fahim Baree, manager of the gym equipment department at Lillywhites, the big London sports store, observes that "the computers can time you, tell you your strokes or strides per minute, how many calories you've burnt off so far, how 'far' you've gone, your average speed".

There are also systems which can be programmed so the machine offers different amounts of resistance at different parts of the exercise, mimicking a real route. Indeed, some people seek add-ons, to catalogue their effort in greater detail. "People are becoming more sophisticated. When I started here three years ago, we didn't have heart rate monitors for sale," says Baree. "Now people ask for them, to watch that they're exercising at the right intensity to improve their fitness."

Even so, such measures can only be an average at best; no one burns calories at exactly the same rate. And the "distance gone" – a measure which allows people to row single-handed across the Atlantic, complete the Tour de France or walk up the Empire State Building, while staying in comfortable reach of bed, bathroom and beverages – can only be approximate. Such machines never take into account the variable difficulty, for example, of pulling one machine's "oar" rather than another's, so that one machine's "Olympic" class may be another's run-of-the-treadmill.

Yet the greatest boon to the personal fitness industry in recent years is probably not microprocessors but polyurethane – the tough plastic that has become a staple of so many items, from the seats of exercise machines to the simple "step" currently so popular with the aerobic classes and multigyms advertised on television.

The plastic is strong enough to bear the six months' or so use that is common before the item is consigned, as the majority are, to live the rest of its life beneath the stairs. But it also makes it affordable. For example, mini-multigyms often use plastic loops which have to be stretched to exercise the muscles. Where rubber might give way, plastic can stand up to the strain.

Improvements in plastics technology have produced a couple of intriguing items in the past couple of years. Newly popular at Lillywhites is the "Bodyslide", which consists of a thick, smooth plastic mat about 2.5m long and 1m wide. The user slips on a pair of slick plastic overshoes like galoshes, and then exercises on the mat using a skating action. "Very good for the legs," says Baree. "They tend to sell once people see them being demonstrated." Otherwise, it just looks like an unwelcoming mat.

Similar in motion, if not exactly in use, are "in-line skates", the modern version of the roller skate. But rather than their predecessor's thick wheels on either side of the shoe, in-line skates (one version being the Rollerblade) have thin polypropylene wheels mounted along the centre of the shoe, which itself covers the foot and ankle in a rigid casing like a comfortable ski boot. Once strapped in, you move just like a skater.

Most people soon learn how to reach a comfortable speed, getting useful exercise. (The problem then becomes how to stop; David Wheaton, the American tennis player, once spent an enforced rest after putting his hand through a plate-glass window in trying to halt his progress.)

The skates are already enormously popular in the US, where some people use them to commute, and they have begun filtering into Britain in increasing numbers, where they are being touted as an excellent training for skiing.

For the future, industry observers expect skiing machines, such as those made by US companies Precor and NordicTrack, to become increasingly popular. Like in-line skates, these have also been big sellers in the American market for some years, but are now filtering across the Atlantic (and also from Scandinavia) as the message has spread about the benefits of cross-country skiing, hailed as possibly the best exercise for the whole body.

The popular forms consist of two shoes mounted on separate, sliding tracks, with rods or cables to be held in the hands. As one hand goes forward, so does the opposite foot. It sounds simple, and is, but it is expected to be one of this year's biggest sellers. It works on roughly the same principle as last year's big hit, the stair-climbing system, which uses hydraulic pistons to provide resistance to the pressure of the foot; as one foot goes down it has to push the other up.

But as with all home exercise machines, the big problem is getting a good return on your investment. "You have to be very disciplined," comments Jenny Tarsnane, development officer at the National Association of Health and Exercise Teachers. "If I didn't teach in a gym, I still wouldn't exercise at home. I like going with someone to a class or gym." Indeed, Mintel's survey also shows that people spent £465m solely on membership and entrance fees at private clubs in Britain in 1992 – nearly four times as much as on home equipment.

Tarsnane's advice for the prospective buyer? "Don't be seduced by the hype. Evaluate the amount you're about to spend and if it would be better spent going to a gym. It worries me how people buy equipment and go bananas with it for a while, then hurt themselves and stop, or are left with aches and pains; or feel it's having no effect and give up."

In fact, she says, "If you just want to lose some fat, it might be better just to go for half-hour walks." Then, you can always buy a pedometer to time yourself, measure how far you have walked, estimate the number of calories burnt, and your pace per minute.

Andrew Fisher considers the latest developments in Alpine technology

The appliance of ski science

To those who lurch clumsily down Alpine slopes while others glide along with grace and speed, technology might not seem to have much of a role in skiing. Some people simply ski better than others.

But skis, boots, bindings and even ski poles have developed considerably in the past few years. They do not just look better than their predecessors, they perform more effectively and durably for skiers of all skill levels.

Skis are designed to absorb more shock impact, boots to provide comfort as well as support, and bindings to be adjustable for soft, hard or icy surfaces.

These days, says Robbie Young, a UK sales representative with Salomon, the French ski equipment company, people tend to ski longer during the day and on harder surfaces. "Skiing has changed dramatically as a result of artificial snow," he says. Many European resorts have snow machines and those in North America use them early in the season to lay down a deep snow base.

With the range of ski equipment on offer, however, it is easy to become confused. Advanced materials, new methods of manufacturing skis, and the variety of skis and boots – stronger, lighter, and more efficient at transmitting energy from the body to the ski edge – have added the complexities of high technology to Alpine sports.

"Gone are the days of flexing skis from the rack in a shop to discern their finer qualities," writes John Vaitkus, head of the test team of Ellis Brigham, the UK winter sports retailers, in its latest brochure. "I'm afraid most manufacturers' blurb is best described as bull!"

Ellis Brigham tests out the newest equipment every year at Chamonix in France. Most buyers will not be aware of, or care too much about, the latest techniques used by ski makers such as Salomon, Rossignol, Kästle, Fischer or K2. They will pick what suits their pocket and ability, bearing in mind that much equipment will be used only for a week or two each year.

David Whitlow, Ellis Brigham's marketing director, says the company ignores what manufacturers say about their products when it tests them. "We only really buy skis which make skiers smile." Among its recommendations (and those of Snow + Rock, its UK rival), is the monocoque range developed by Salomon.

The monocoque is built as a one-piece shell, the aim being to transmit more energy to the edges, on which most skiing is done. The load-bearing shell is made from epoxy glass or composite material and filled with wood or high-density foam. The part of the ski (the platform) under the boot is designed to absorb shock and give skiers an accurate feel of the snow.

Salomon claims its skis are at least 20 per cent more efficient at transmitting energy to the edges than most other makes. But rivals have also come up with high-tech products.

The 4SV ski made by Rossignol, also French, for expert skiers uses a "double torsion box" structure with an inner layer of kevlar and carbon and an outer casing of reinforced metal fibre strengthened at the sides with Quarztel, a new quartz fibre.

Kästle, an Austrian company, developed its Syncap system with the Formula One motor racing team run by its owner, Italy's Benetton family. The system comprises a hard body shell of fibreglass and epoxy for strength and control and an inner layer of softer visco-elastic material to dampen vibrations. For real speedsters, it mounts a carbon-kevlar reinforced acceleration plate on the back of its top skis to stiffen them and give a "catapult effect" out of the curves.

To reduce weight, Kästle uses a light wood core, fine air channels and synthetic fibres on its lightweight Air Technology skis which it says are some 25 per cent lighter than earlier models. These are for skiers who put elegance and comfort above speed.

PEOPLE

Tate moves to Sorbus Europe

Lee Tate, who was responsible for the launch and development of International Network Services, the UK-based electronic trading pioneer, has been appointed managing director of Sorbus Europe – another of ICL's multinational joint ventures.

Sorbus Europe is a joint venture operation between ICL, the UK-based computer group, and Bell Atlantic Business Systems International of the US and is one of Europe's leading independent computer maintenance and support groups.

Tate, 54, has a high reputation in the IT industry having been managing director of INS since its launch seven years ago. During that time INS increased both its revenues and profits each year operating in the fast expanding field of electronic data interchange which companies use to replace traditional paper-based forms such as orders, invoices and other business-to-business communications.

Tate's move to Sorbus coincides with a reorganisation at INS under which GE Information Services of the US has purchased ICL's 50 per cent shareholding in INS to make it a wholly-owned GEIS subsidiary. The sale of ICL's stake reflects the group's strategy of developing its core businesses.

Tate has been succeeded as managing director of INS by John Thorpe, 44, who was previously director of software at INS and has been a director with the company since it was launched in February 1987.

Under Tate INS is expected to concentrate on developing software for worldwide sales and developing more value-added applications which will enable customers to benefit from GEIS' portfolio of electronic commercial services.

Non-executive directors

■ **John Gardiner** has completed his term at POWERGEN.

■ **John Crabtree** as chairman at RICHARDS GROUP on the retirement of Peter Hodgson.

■ **Nick Chamberlen**, director of Clive Discount, at de MORGAN GROUP and as chairman of its subsidiary WOOLGATE PROPERTY FINANCE.

■ **Lord Cobbold**, former director of financial markets at Hill Samuel and currently md of Gaiacorp and chairman of Lytton Enterprises run from his family home, Knebworth House, at CLOSE BROTHERS.

■ **Andy Lusher**, retired director of Marks & Spencer, at HAMLET GROUP.

■ **David Samworth** has retired from THORNTONS.

■ **Willy Bauer**, chief executive of Wentworth Group Holdings, at MOSIMANN'S.

■ **Robert Johnson**, executive chairman of Farepak, at CITY MERCHANTS HIGH YIELD TRUST.

■ **Tim Hearley** as chairman at The ULTIMATE PERSPECTIVE.

■ **Bruce Ralph**, chief executive of Glynwed International, at EIS GROUP and Sir Norman Wooding, chairman of the British Textile Technology Group, as its chairman on the retirement of chairman Michael Walters; Richard Reed, deputy chairman, is also retiring.

■ **Desmond Watkins**, visiting professor of management at Keble College, Oxford, and a senior adviser to Citibank, at CONTROL RISKS GROUP.

■ **John Toyne** has resigned from TIBBETT & BRITTEN.

■ **Norman Lloyd-Edwards**, a senior partner with Cartwrights Adams & Black and Lord Lieutenant of South Glamorgan, at the Cardiff office of BAIN CLARKSON.

■ **Jean-Marc Cangardel** at QUADRANT.

■ **Howard Ford**, IBM regional director, north west Europe, at PHONELINK.

■ **John Wynn** at STEEL BURRILL JONES GROUP, having retired from executive duties.

■ **Philip Douglas**, a former director of Morgan Grenfell and GT Management, at ALLIANCE RESOURCES.

■ **Louis Sherwood**, chairman of HTV, at ASW HOLDINGS.

■ **Frank Davies**, a director of BTR Nylex, at CANNON STREET INVESTMENTS.

■ **David Newbigging**, former Jardine Matheson chairman and chief executive, as chairman at MARITIME TRANSPORT SERVICES.

■ **Magnus Mowat**, formerly a director of BZW, at RYALUX CARPETS.

■ **John Ansdell**, former finance director of Trafalgar House, at CRESTON.

■ **Gordon Brown** at QBE INTERNATIONAL INSURANCE on stepping down from being chairman and general manager.

■ **Aylmer Lenton** has resigned from SCAPA GROUP.

■ **Tony McCann**, chief executive of Bricom, and Peter Pollock, former group chief executive of ML Holdings, at MENVIER-SWAIN GROUP.

■ **Harry Richardson**, md of financial services division of EDS-Scicon, at FLETCHER KING.

■ **Major-General Simon Beardsworth**, a defence consultant, at OMI INTERNATIONAL.

Insurance moves

Jim Payne, one of the most prominent figures in the London reinsurance market, is to retire from the Sedgwick Group later this year. Payne, now 56, retired as chairman of Sedgwick Payne (the Sedgwick Group's reinsurance subsidiary) at the end of last year, and will leave his position as vice-chairman of Sedgwick Group itself in March. Payne joined EW Payne in 1954 and did much to build up its reinsurance business in the 1970s and 1980s, both before and after its acquisition by Sedgwick in 1978.

More recently Payne has played a role in attracting corporate capital to the Lloyd's of London market. He will continue as a board member of CLM Insurance Fund, one of the new Lloyd's investment trusts. He is succeeded at Sedgwick Payne by Jonathan Gilbert, deputy chairman and managing director of Sedgwick Payne and a board director of the group. Gilbert, who is also 56, has specialised in energy insurance broking. He joined Sedgwick in 1957 and was appointed to the board in 1981.

■ **John Gussenhoven** is appointed chairman of JOHNSON & HIGGINS HOLDINGS; he replaces Charles Carter and Nuno de Brito e Cunha who have become co-chief executives of London Market Investors, which is sponsored by Johnson & Higgins and Salomon Brothers.

■ **Bill Warbey** has been appointed md of FTA Insurance Services, the joint venture set up by Bain Clarkson and the Freight Transport Association.

■ **Roger Shute**, chief executive of mini-conglomerate Scottish Heritable Trust, has become chairman as well, succeeding Edward Denison, who retired at the end of the year.

The company took the opportunity to congratulate Denison on his role in pursuing a successful claim in the US courts for damages of $8.5m, which was announced last week, against KPMG Peat Marwick regarding the acquisition of a 50 per cent stake in Rangaire Corporation in 1988.

Dealing in the shares of SHT, which has borrowings of around £24m, has been suspended since mid-November. SHT directors have another meeting with the syndicate of banks supporting the company next Tuesday to discuss a proposed refinancing package.

■ **Richard Maudslay**, managing director of Rolls-Royce Industrial Power Group, has been appointed to the main board of Rolls-Royce.

Maudslay, 47, has risen swiftly since the takeover in 1989 of Northern Engineering Industries by Rolls-Royce. Before becoming md in 1992 of the Industrial Power Group, an amalgamation of Rolls-Royce's non-aerospace operations and NEI, he was md of turbine generator manufacturer NEI Parsons. He began his career with Bruce Peebles, part of NEI, in 1968 and has subsequently held a wide range of UK and overseas appointments within NEI.

■ **Jules Burns** and **Brenda Smith** (above left) have been promoted to director of programme and management services and md of Granada Enterprises, and director of resources, respectively, and join the board of GRANADA TELEVISION.

■ **Graham Bibby** (above right) has been appointed sales and marketing director of WEIR Pumps on the retirement of Harry Lang; Gerry Malley has been appointed regional director, Far East and South East Asia.

■ **Chris Brandon-Trye** has been appointed finance and administration director and Mark Spillman sales director of Parfums Christian Dior (UK), part of LVMH.

Cinema/Nigel Andrews

China's 'Gone with the Wind'

Chen Kaige's *Farewell My Concubine* has been compared – by foes as well as fans – with *Gone With The Wind*. A sumptuous, switchbacking ride through Chinese history from 1925 to 1977, the film lasts three hours, boosts a giddily flamboyant cast of characters and stops off for showdowns at almost every main station in China's 20th century story.

Japanese invasion (1937); Japanese surrender (1945); Communist takeover of Beijing (1949); Cultural Revolution (1966); and finally the false dawn of post-Mao "liberalisation" (1977). No wonder both audience and characters look travel-exhausted by the close. Chen's previous work, which included *Yellow Earth*, *King Of The Children* and the majestically gnomic *Life On A String*, was in a contrasting Oriental-inscrutable mode. You had to scratch the austere parchment to find the feelings underneath.

Here emotions are worn on sleeves and sleeves are of dazzling-coloured silk. Dieyi (Leslie Cheung) and Xiaolou (Zhang Fengyi) are the two Peking Opera actors whose lives, loves and hates we follow through 50 turbulent years. On stage Dieyi's feminine beauty has condemned him, in an all-male theatre tradition, to play Queen to Xialou's King. Offstage he plays queen with equal expertise. His unrequited passion for Xialou modulates between lofty stoicism and envenomed jealousy and finally leads – we have reached the moral horrors of the Cultural Revolution – to his denouncing of his beloved's ex-concubine wife Juxian, played with flashing cheekbones by Chinese superstar Gong Li (*Raise The Red Lantern*).

The curtain falls on two suicides, a nation in ferment, and clouds of opium smoke swilling about the stage from the drug-addicted last act. Some have cried "melodrama". But the movie's large-breathed hyperboles create their own oddly compelling rhythm and vision: compelling enough to have gained last years Cannes Golden Palm *ex aequo* with *The Piano*. And the interplay between historical backdrop and human foreground is persuasive even when Chen takes liberties to set up frequency vibrations between the two.

The film shows its surest touch in the first scenes: Dieyi and Xialou as children at a Peking Opera school. Chen makes the cruelties and disciplines at this artistic forcing-house seem at once monstrous and matter-of-fact. Boys chosen to play females are forced to repeat over and over "I am by nature a girl". Bodies are rendered elastic by ruthless Procrustean exercises. And when one boy hangs himself, Life Just Goes On. (Chen punctuates this death with a perfect surreal detail: a dusty fold-up wooden stage crashes down in the background, inexplicably, like a fist from God.)

The power of this first sequence energises and legitimises the scenes to come. It shows us the appalling and readies us for the worse: the streets thundered through by Japanese troops, the light-raked show trials, Dieyi's lonely drift into drugs or opportunist sexual servitude. (The film shows how political fear can make mind *and* heart *and* body bow to what is expedient from regime to regime).

But the childhood scenes also introduce us to the miraculous – a cloud of butterfly kites dancing outside the school gates when two boys open them to play truant – in preparation for the marvels of defiant grace wrought by Art out of Life. *Farewell My Concubine*, which takes its own title from that of the Peking opera Dieyi and Xialou most often perform together, is itself a hybrid of the real and visionary. Its flourishes and extravagances are as integral to its stratagem as its grim counting off of historical milestones. Life, Chen tells us, does not "imitate" art, nor art life. In the mind of a nation dazed by history, life and art are inextricably intertwined as part of the common dream.

★

Life and art are both out to lunch in Brian De Palma's *Carlito's Way*. This is the film of a director still seeking career re-entry after the mishap of *The Bonfire Of The Vanities*. His last film *Raising Cain* was a brain-teasing thriller that met no response at the box-office. So Mr De Palma has decided to run for cover and remake, in all but name, his 1983 remake of *Scarface*.

Al Pacino, drugs, gangsters, murder feuds and a we-mean-business running time (2½ hours) ensue. Mr P plays Carlito Brigante: black-bearded, snappily dressed and trying to "go straight" in 1970s East Harlem after five years in prison, except that as he tells his improbably longsuffering girlfriend Penelope Ann Miller, "I gotta do just this one thing to get out." (Help a friend with a prison rescue.)

FAREWELL MY CONCUBINE (15)
Chen Kaige
CARLITO'S WAY (18)
Brian De Palma
MAC (18)
John Turturro
MALICE (15)
Harold Becker

"Get out", he means, of the criminal milieu. Which makes it odd that the first thing our new crime-resistant Mr Pacino does is to buy into a gangster-infested nightclub with his crooked lawyer friend Sean Penn (scarce-recognisable in curly red wig and gold-rim specs). Soon – to Carlito's surprise if not to ours – there is blood in the Martinis and bullet-holes in the chrome-and-cream decor (designer, Richard "Cotton Club" Sylbert). And the prison rescue bid looks horribly as if it might go wrong . . .

David Koepp's script is based on two novels by Justice Edwin Torres. If he had made it three novels, we might have had some *real* crazy-quilted incoherence. Instead we have the sense that pages are being turned and books swapped as turgid dialogue (Pacino and Miller) alternates in random *rubato* with sudden fizzes of violence or Method acting (Pacino and Penn). As for the climax, another De Palma suspense-and-action special set in Grand Central Station (see *The Untouchables*), it seems like a director's despairing attempt to use old glories to add lustre to a stubbornly dingy project.

★

Mac comes to us from another Italian-American playing delicate career moves: actor turned first-time film-maker John Turturro. Mr T, he of the black wire-wool hair and frightened rabbit eyes, was the title hero of *Barton Fink* and the gibbering execution victim in *Miller's Crossing*. Now he stars as a self-made builder in 1950s Queens, New York: one of three career-sharing Italian brothers who rage, joke, love, squabble and occasionally apply mortar to brickwork.

Turturro's Mac is based on his own father and is wonderfully fullblooded. Building, for this man, is not a job but a mythology. He lectures his siblings on Romulus and Remus. And as mishaps accumulate – Mac near-bankrupted in a bidding war for land, a worker tumbling from a roof, the brothers splitting up after a quarrel – he is right out there in the street raving and orating about the sanctity of Work.

The film could have been written by Arthur Miller and directed by Federico Fellini. Fellini would have loved the early touch of the dead father turning to his pallbearing sons to deliver his last work-proud message: "I built this coffin!" And Miller – whose Eddie Carbone in *A View From The Bridge* would happily break *grissini* with these New York Italian brothers-in-sweat – would enjoy the film's heady mixture of dynastic tragicomedy with work-ethic moralism.

Who is expected to enjoy *Malice* only Hollywood's arcaner market-research departments could tell us. Category: thriller. Sub-category: "lodger from Hell". When Dr Alec Baldwin, a gifted sawbones with a tendency to float from town to town, moves in with married couple Bill Pullman and Nicole Kidman, who could anticipate that suspense, terror, insurance fraud, marital breakdown and a near-fatal hospital operation will ensue?

Almost anyone could anticipate most of these. Not just from Jerry Goldsmith's eerie, mocking music but from Harold (*Sea Of Love*) Becker's eerie, mocking direction and from Alec Baldwin's ditto, ditto performance. George C Scott and Anne Bancroft appear, looking mildly shellshocked in guest roles. The script by Aaron Sorkin (*A Few Good Men*) stumbles about between coincidence and contrivance. And after several reels set in modest suburbia, the finale takes place in a storm-besieged cliff-edge mansion which would seem over the top in an Edgar Allan Poe film.

Leslie Cheung in 'Farewell My Concubine'

'Sunset Boulevard' in Los Angeles

Karen Fricker reviews the US premiere of Lloyd Webber's musical

If you come to Los Angeles looking for the mansion at 10086 Sunset Boulevard, you will be disappointed. That house, the setting of Billy Wilder's classic 1950 film satire of Hollywood, never existed at that location. It was a made-up address on a real street, just as Wilder's *Sunset Boulevard* was an excoriating flight of fancy on a topic that is true-to-life indeed – Hollywood's capacity to create images and destroy lives.

If you come to Los Angeles looking for satisfaction from Andrew Lloyd Webber's new musicalisation of Wilder's film, you will be disappointed again. Lloyd Webber's *Sunset Boulevard*, which had its American premiere at the Shubert Theatre here last month, is to Wilder's original what a dirt road is to a motorway. Its display of heartless spectacle degrades everyone involved, most of all Glenn Close, who plays the faded silent movie star Norma Desmond, the role Gloria Swanson played in the film.

The musical *Sunset*, which is also playing at the Adelphi Theatre in London, features everything we have come to expect from Lloyd Webber and Co. – lavish sets and costumes, a large cast, a bloated pseudo-operatic score – but wholly lacks a consistent tone.

While Wilder's *Sunset* was an elegant fusing of sendup and homage, Lloyd Webber's wavers between the celebratory impulses of musical theatre and the ironic distance of satire, and Trevor Nunn's unassertive direction evens nothing out.

The dialogue jolts between spoken lines, most taken from the film (all the favourites are retained: "I *am* big; it's the pictures that got small"; "I'm ready for my close-up, Mr. De Mille") – and recitative, sung by Joe Gillis (Alan Campbell), the down-on-his-luck screenwriter whom Norma entraps to stage her "return." For the music, Lloyd Webber largely recycles tunes from his past work into a grab-bag of blowsy ballads and Big Group Numbers. It is in the latter that librettist/lyricists Don Black and Christopher Hampton make their most concerted stab at irony (studio wannabes singing "Let's Have Lunch," a gaggle of fey dressers exhorting Joe to buy more clothes because "The Lady's Paying"), but their attempts at acidity clash with Lloyd Webber's peppy tunes and Bob Avian's high-energy stagings.

Amidst it all stalks Close, a marvel of ill-employed concentration. Holding her taloned hands like a surgeon leaving a scrub room, bedecked in Anthony Powell's de luxe costumes – jungle-printed pyjamas, lamé dusters and jeweled turbans – she looks and behaves every inch a Norma Desmond, but she is an island of high camp in a sea of humourless ineptitude, and ends up looking foolish. An additional problem is her singing voice, which is thin and over-amplified, and her songs fail to compel. There is no reason for Norma's simple and ever-strengthening convictions to be driven home through four solo and two shared numbers, except to show off a star's voice – a rationale which made more sense in the London production, with belter Patti LuPone in the role, than it does here.

It is Joe Gillis whose inner life needs revealing, for *Sunset Boulevard* is the story of his journey from professional to personal desperation and eventual destruction. Though the evolution of Joe's relationship with Norma indicates a broad range of emotions towards her – pity, curiosity, awe, disgust, admiration, greed, attraction – there is little in the dialogue or lyrics to indicate his changes in attitude. It is left to the actor playing Joe to communicate these transitions through his expressions and actions, but Campbell's barking, abrasive demeanour remains the same throughout, and he and Close do not develop any relationship on stage. Campbell's golden-boy good looks do not fit the role, and he is only given one song with which to show off his excellent singing voice – the bombastic title tune.

Another character marred by the show's inept musicalisation is Max von Mayerling (George Hearn), Norma' ex-husband and former director-turned-butler, who must step outside his taciturn demeanor to inform Joe that Norma was "The Greatest Star of All." Standing stiffly and orating overblown lyrics ("there was/a majaraha/who hanged himself with one of her/discarded stockings/she's immortal"), Hearn, like Close, ends up with Lloyd Webber's egg on his face.

Craig Schwartz Photography

Glenn Close as Norma Desmond and Alan Campbell as Joe Gillis in Trevor Nunn's production

Only Judy Kuhn as Betty Schaefer, the young writer who becomes Norma's rival for Joe's affections, comes out with her reputation intact. Her songs and dialogue plausible, and her singing clear and strong, she is a lovely presence, and Campbell is at his best when he's playing opposite her.

As with all of Lloyd Webber's efforts, there is always a massive set to marvel at. John Napier's rendering of Norma's rococo palace is indeed an eerie wonder of dark wood and brass, but it has the distracting habit of levitating at the least opportune moments. Lifting up Norma's house during a New Year's Eve scene and slipping another set in underneath serves no purpose other than to prove that it can be done. Worse still are the hydraulic high jinks that accompany Joe's death scene. As the musical makes its last attempt to draw the audience in, the set and the characters on it move *away* from the audience for the sake of a sight gag – Joe taking a header into Norma's pool, which has implausibly manifested itself in the centre of her living room floor.

Lloyd Webber's musicals always fare well in spectacle-loving Los Angeles, and the added frisson of a show about itself has set the city *Sunset*-crazy: despite mixed local reviews, *Sunset* set a Shubert Theatre box-office record ($512,130) the day after opening. Meanwhile, the gossip about whether it will be LuPone or Close who plays Norma when *Sunset* opens on Broadway this autumn rages on, but what does it matter? Both are big stars, and this musical is too small for either of them.

Theatre/Malcolm Rutherford

An Absolute Turkey

Sir Peter Hall's production of a new English version of Georges Feydeau's *Le Dindon* has a wonderful cast and some fine performances. It is always interesting, partly because it entices you to believe that the best lines and situations must be just around the corner. That illusion is maintained to the end. By then you realise what you may have suspected at the start: *An Absolute Turkey* is more a sentimental comedy than a French farce.

Here is a rather gentle tale of French life where really serious misdemeanours never quite take place, there is no cruelty, hardly anyone loses their trousers and all ends happily. In short, *Le Dindon* has become very English, more P.G. Wodehouse than Feydeau.

Once you have accepted the change of genre, the piece flows along very nicely. Felicity Kendal plays Lucienne, the faithful wife who will betray her husband only if she has evidence of his own infidelity, and then for revenge – not desire. No production graced by Ms Kendal's presence can be without pleasure.

The same can be said of Griff Rhys Jones who plays Redillon, the promiscuous lover with a score card of one in three out of the women he approaches. When Lucienne becomes available, he is too tired to take advantage. Rhys Jones, too, is a joy to watch: for all his philandering he seems a nice man at heart.

The nicest man of the lot – and this may have taken the sting out of the play – is Geoffrey Hutchings as Vatelin, husband of Lucienne. A charming Paris lawyer who collects paintings by the relatives of the French Impressionists on the grounds that they are so cheap they must be a good investment, he has been unfaithful only once – with a woman called Mitzi when he had to spend to spend a month working in Zurich. There is never much chance that he will be seriously embarrassed even when Mitzi (Rosie Timpson) turns up in Paris. Vatelin nearly always does the decent thing, which is why Lucienne sticks to him.

There are also some splendid minor performances, notably by Richard Henders as a hotel page boy suffering from puberty, which is taken as some kind of disease. Linda Spurrier is an outstanding Madame Pinchard, the near totally deaf wife of a French general. She has that irritating habit of near deaf people of being sharp of hearing just when you least expect it. Lip-readers will appreciate her line: "Why do you always talk with your back to me? I can't see a word you're saying."

There are far too many characters in the play: 22 altogether, played by a cast of 18. Some of the best are never allowed to develop – like Mitzi's husband who looks about as provincially Swiss as you are likely to get, but turns out to have been born in Marseilles. The multiplicity of characters slows down the pace. This is a criticism of Feydeau not of Hall: in a good farce you do not want new faces constantly bursting through doors – they distract from the framework.

It is also a mistake, despite the need to change the sets, to have two intervals. That again slows down the action. Still, the designs by Gerald Scarfe are very pretty: quite in line with the comedy that the play has become.

Globe Theatre (071) 494 5065

INTERNATIONAL ARTS GUIDE

ATHENS

Megaron A Bartok cycle opens on Sun with the first of three recitals by Bartok String Quartet. Next week's events include two concerts by the Budapest Festival Orchestra conducted by Ivan Fischer, featuring Duke Bluebeard's Castle and extracts from Lohengrin. Fischer also conducts the musical accompaniment to Hyson Mime Group's performance of The Miraculous Mandarin on Jan 14 and 15, paired with Mahler's Das Lied von der Erde sung by Agnes Baltsa and Kim Begley (01-728 2333/01-722 5511)

BOLOGNA

Teatro Communale Sun: Gianluigi Gelmetti conducts first night of Roberto de Simone's production of L'Italiana in Algeri, with Bernadette Manca di Nissa, Rockwell Blake and Michele Pertusi (repeated Jan 11, 13, 16, 18, 19, 20, 23). Tues in Palazzo dei Congressi: Momix Dance Theatre (Biglietteria, Ente Autonomo Teatro Communale di Bologna, Largo Respighi 1, 40126 Bologna. No telephone bookings accepted. For information, call 051-529999)

CATANIA

Teatro Bellini Jan 11, 13, 16, 18, 20, 23: I Puritani with Lucia Aliberti, Salvatore Fisichella and Dmitri Kavakros (095-7150 921)

GENOA

Teatro Carlo Felice Jan 13, 16, 19, 22, 23, 25, 27, 28, 30: Nabucco with Ghena Dimitrova and Leo Nucci (010-589329)

LONDON

THEATRE

● An Absolute Turkey: the Peter Hall Company's new production of Feydeau's farce, starring Felicity Kendall and Griff Rhys Jones. Just opened (Globe 071-494 5067)

● The Cavalcaders: the Abbey Theatre Dublin production of Billy Roche's play, directed by Robin Lefevre. Opens tonight (Royal Court 071-730 1745)

● Angels in America: the two parts of Tony Kushner's epic contemporary drama can be seen on separate days in the Cottesloe, in repertory with an acclaimed touring production of Brecht's Mother Courage (National 071-928 2252)

● Macbeth: Derek Jacobi as Shakespeare's Scottish king in a new RSC production directed by Adrian Noble (Barbican 071-638 8891)

● Wildest Dreams: Alan Ayckbourn's dark comedy directed by the author for the RSC (The Pit 071-638 8891)

● Cabaret: Sam Mendes directs one of the great modern musicals, with Jane Horrocks as Sally Bowles and Alan Cummings as Emcee at the Kit Kat Club (Donmar Warehouse 071-867 1150)

● An Inspector Calls: the award-winning National Theatre production of J.B. Priestley's play (Aldwych 071-836 6404)

● Piaf: Elaine Page stars in Pam Gems' musical play about life and times of Edith Piaf. Directed by Peter Hall (Piccadilly 071-867 1118)

● Ticket information, phone Theatreline from anywhere in UK: Plays 0836 430959 Musicals 0836 430960 Comedies 0836 430961 Thrillers 0836 430962.

MUSIC/DANCE

Covent Garden The Royal Ballet has Kenneth MacMillan's production of Prokofiev's Romeo and Juliet, plus a mixed programme featunng works by Ashton and Balanchine. English Bach Festival presents Monteverdi's L'Orfeo on Sun. Next week's performances (Jan 11-17) are sponsored by Paul Hamlyn Foundation for first-time attenders of opera and ballet at the Royal Opera House, and are not available for direct booking. The next Royal Opera production is Carmen, opening Jan 21 with a cast led by Denyce Graves, Leontina Vaduva, Neil Shicoff and Barseg Tumanyan (071-240 1066)

South Bank Centre Ben Stevenson's English National Ballet production of The Nutcracker runs daily except Sun till Jan 22 (071-928 8800)

Coliseum ENO repertory this month consists of David Pountney's new production of Smetana's Two Widows starring Marie McLaughlin and Anne-Marie Owens (till Jan 20), Die Fledermaus with Vivian Tierney as Rosalinda (till Feb 10) and a revival of Nicholas Hytner's production of Xerxes, opening Jan 14 with Louise Winter in the title role (071-836 3161)

Barbican Travelling Opera presents its popular version of Die Zauberflöte tonight and tomorrow. Mstislav Rostropovich gives a cello recital on Sat, and Rafael Frühbeck de Burgos conducts the LSO on Sun in works by Mozart and Beethoven, with piano soloist Alicia de Larrocha (071-636 8891)

MADRID

Auditorio Nacional de Musica Lindsay Quartet gives the final instalments of its Beethoven quartet series next Wed and Thurs (01-337 0100)

Teatro Lirico La Zarzuela The next opera production is Der Freischütz, opening Jan 22 with a cast led by Poul Elming and Ekkehard Wlaschiha (01-429 8225)

MILAN

Teatro alla Scala Midori gives a violin recital on Mon. A new production of The Fiery Angel opens on Jan 14 with a cast headed by Galina Gorchakova and Sergei Leiferkus. Maurizio Pollini gives a piano recital on Jan 17 (02-7200 3744)

NAPLES

Teatro San Carlo Jan 15, 18, 21, 23, 26, 29: La traviata with Giusy Devinu, Vincenzo La Scola and Roberto Servile (081-797 2331)

PALERMO

Teatro Massimo Jan 7, 9, 13, 16, 19, 22, 25: Gianandrea Gavazzeni conducts Alberto Fassini's production of Roberto Devereux, with Denia Gavazzeni Mazzola and Pietro Ballo (091-6053 315)

PRAGUE

CONCERTS

Dvorak Hall Next Mon: Czech Nonet plays chamber music works by Foerster, Martinu and Spohr. Next Wed: Skampov Quartet. The next Czech Philharmonic concerts are on Jan 28 and 29 (02-286 0111)

Smetana Hall Next Tues and Wed: Elli Jaffe conducts Prague Symphony Orchestra in works by Verdi, Ben Haim, Bloch and Bernstein (02-232 2501)

OPERA

Prague State Opera Tonight: Beethoven's Leonore. Tomorrow, Sun afternoon: Die Fledermaus. Sat: La traviata. No performances Jan 10-20 (02-265353)

National Theatre Repertory includes new productions of Dvorak's The Jacobin and Janacek's The Makropoulos Case (02-205364)

● For pre-booking and information about these and other events, contact city centre ticket agencies (Sluna, Wenceslas Square 28 in the passage, tel 02-261602, or Bohemia, Na Prikope 16, tel 02-228738, or Melantrich, Wenceslas Square 38 in the passage, tel 02-228714) and theatre box offices. Tickets can be ordered from abroad through Bohemia Ticket International, Salvatorska 6, Prague 1 (tel 02-2422 7832 fax 02-2481 0368)

ROME

Teatro Valle Sat, Sun, Mon, Tues: Christian Thielemann conducts Orchestra dell'Accademia di Santa Cecilia in a Viennese programme, with soprano Luciana Serra (06-678 0742/06-6880 3794)

Universita La Sapienza Sat: Midori violin recital. Jan 15: Amadeus Chamber Orchestra. Jan 22: Cherubini Quartet. Jan 29: Lynn Harrell (06-361 0051)

Teatro Il Sistina Sun morning: Igor Oistrakh violin recital. Jan 17: Salvatore Accardo. Jan 30: Pekinel Sisters (06-5734 4664)

Teatro Olimpico Next Thurs: Giuseppe Sinopoli conducts Webern and Schoenberg. Jan 20: Bartok Quartet (06-320 1752)

VENICE

Teatro La Fenice Oleg Caetani conducts orchestral works by Bartok and Bruckner on Jan 13 and 14. The next opera production is Les Contes d'Hoffmann, opening Feb 3 (041-521 0161)

ARTS GUIDE

Monday: Berlin, New York and Paris.
Tuesday: Austria, Belgium, Netherlands, Switzerland, Chicago, Washington.
Wednesday: France, Germany, Scandinavia.
Thursday: Italy, Spain, Athens, London, Prague.
Friday: Exhibitions Guide.

European Cable and Satellite Business TV

(Central European Time)

MONDAY TO FRIDAY
Super Channel: European Business Today 2230; repeated 0630, 0715
MONDAY
Super Channel: FT Reports 1230.
TUESDAY
Super Channel: West of Moscow 1230
Euronews: FT Reports 0745, 1315, 1545, 1845, 2345
WEDNESDAY
Super Channel: FT Reports 1230
THURSDAY
Super Channel: West of Moscow 1230; FT Reports 2130
Euronews 0745, 1315, 1545, 1845
FRIDAY
Super Channel: FT Reports 1230
Sky News: FT Reports 2030
SATURDAY
Sky News: 0330; 1330
SUNDAY
Super Channel: FT Reports 2230
Sky News: FT Reports 1730; 0430

Vision of heaven in their own kind of hell

BOOK REVIEW

THE NEW MIDDLE EAST
By Shimon Peres
with Arye Naor
Element. 224 pages. £16.99

Mr Shimon Peres, Israel's foreign minister, has had a busy, successful year and is obviously in celebratory mood. On the eve of his 70th birthday in Norway he completed the negotiations with the Palestine Liberation Organisation which, on September 13, brought him to the White House lawn for the historic signing of the declaration of principles.

Now, even before the two sides have agreed on the first stage implementation of that outline agreement, Mr Peres has sketched out an extraordinary vision of what peace could mean to the region. "The world has more money than ideas. The new Middle East is an idea whose time has come," he declares.

Both propositions deserve to be treated with the deepest scepticism. But so, only a few months ago, would the suggestion that Mr Yassir Arafat, the PLO chairman, was about to shake the hand of Mr Yitzhak Rabin, the prime minister of Israel. Mr Peres's part in making that breakthrough possible gives him more justification than most for adopting the role of visionary, even though rather more residents of the Middle East would be tempted to characterise his musings as verging on fantasy.

With negotiations still so delicately poised, it was probably unrealistic to expect Mr Peres to provide much detail on the process which led to the Israel-PLO agreement. His account is impressionistic, imprecise on timing, but peppered with useful interpretations of Israeli and Palestinian motivation, particularly that of Mr Arafat.

He views the Palestinian leader as a man determined, above all else, to retain control of the PLO. Any agreement reached without Mr Arafat's personal involvement would have eroded his authority. So, according to Mr Peres, every time the Palestinian-Israeli negotiations in Washington looked as if they were making progress, Mr Arafat would issue instructions that blocked further movement. Meanwhile the real work was being done in Norway, with the great advantage for Israel of not needing to acknowledge Mr Arafat's ultimate authority until after a deal was struck.

But that, too, may have been one of the flaws in the agreement. Mr Arafat's autocratic behaviour, then and now, has cost him valuable support within the PLO, while also delaying the creation of procedures and administrative structures which are urgently needed if the Palestinians are to assume greater control over their own affairs in the West Bank and Gaza Strip. At the same time it is increasingly obvious that Mr Arafat's interpretation of the declaration of principles is seriously at odds with that of Mr Peres.

This makes it all the more difficult to be carried along by Mr Peres's vision of a Middle East developing on similar lines to Nafta, Asean or the European Union. The conceptual leap is just too vast to be contemplated by anyone with much experience of the Arab world. An Israel-Palestinian deal, still five years from consummation even if all progresses smoothly, is just one element in a complex mosaic of issues and relationships over which Israel has little or no influence.

Mr Peres says that Israel cannot dictate the conditions for peace, but he should also recognise that for many Arabs the present moves towards a settlement are the final confirmation of their failure.

While it may be his finest moment, it is their acknowledgement that the struggle of the past four decades has proved largely fruitless. Israel's continued determination to prevent the creation of an independent Palestinian state, and to retain full control over Jerusalem, is a powerful reaffirmation of its regional dominance.

Against such a background, Mr Peres suggests that the Arab oil-producing countries should donate 1 per cent of their revenues towards regional development that would stretch from Eritrea and Yemen, through the Gulf to Egypt, Lebanon, Syria and, of course, Israel. New transnational motorways would be built, ports shared, water piped, canals constructed, oil distributed, the Hijaz railway reopened, deserts turned from brown to green and, even more fancifully, dictatorships transformed into democracies.

To support his argument, Mr Peres cites what has happened in Egypt since it made peace with Israel. Cairo and Alexandria, he claims, have been transformed beyond recognition in the past decade, and President Hosni Mubarak is likely to go down in history as one of the great builders of Egypt. Even those with the deepest attachment to Egypt and its leader might have difficulty in recognising Mr Peres's description, which typifies an endemic problem for Israelis whose received perceptions of their Middle Eastern neighbours inevitably far outweigh their personal experience.

Mr Peres might do well to listen to his deputy, Mr Yossi Beilin, who told Palestinians recently that, if they genuinely feared Israel wanted to dominate them economically, he would prefer to drop all further talk of closer links between the economies.

There might, just, be a brighter economic and political future ahead for countries in the Middle East, but it must be remembered that they include Iran, Iraq, Algeria, Sudan and Libya, and a raft of others with problems almost as grave.

If Israel is able finally to conclude peace treaties acceptable to its neighbours, it would represent a significant contribution to Middle East stability. But beyond that, the countries in the region will go to heaven, or to hell, in their own way. Mr Peres has already left a personal mark on the history of the region and should be wary of damaging that achievement by now appearing to reach too far.

Roger Matthews

ECONOMIC VIEWPOINT

The spectre that is haunting Europe

By Samuel Brittan

Marx and Engels began their celebrated Communist Manifesto of 1848 with the resounding words: "A spectre is haunting Europe – the spectre of communism."

Communism may have gone. But a different economic spectre is haunting the west. It is one known by the less resounding title of "the factor price equalisation theorem".

To appreciate what this is all about we need to go back to the fundamental proposition of international trade theory and indeed of all economics. It is that voluntary exchange makes both sides better off. Otherwise the exchanges would not take place. The proposition has been known for over 200 years, at least since Adam Smith. The rest is elaboration.

Part of this elaboration has, however, been casting a shadow over the free trade case for the last 70 years or so. For in the 1920s a "theorem" was promulgated by the Swedish economist and statesman Bertil Ohlin known as "factor price equalisation". A "factor" is what a businessman would call an input. Trade economists tend to group these inputs into very broad categories, such as capital, land, skilled and unskilled labour.

The modern statement of the theorem is due to the Nobel Prize winning economist, Paul Samuelson. It asserts what many practical men have long supposed: that when available production techniques are similar, transport costs are low, and several other conditions are met, the earnings of "factors" in different countries will tend to equality under free trade. For instance, wages of unskilled labour in the US will fall and unskilled labour in India and China rise towards a common level.

During the golden age of the 1950s, 1960s and early 1970s there was much arid armchair discussion of the assumptions under which factor price equalisation held and how likely they were to be fulfilled. (The interested reader will find the key arguments in, for instance, the 1969 Penguin *International Trade Selected Readings*, and in Max Corden's *International Trade Theory and Policy*, Edward Elgar, 1992). Meanwhile, trade was being liberalised and expanded and real pay was rising in the industrial west.

But with the stagnation in US blue-collar wages of the 1980s, and the rise in European unemployment, factor price equalisation entered the world of policy argument. Indeed, in another echo of Karl Marx, some economists have been reminded of his theory of the immiseration (growing poverty) of the proletariat. An American economist of uncompromising pro-free trade views, Jagdish Bhagwati, subtitled a recent co-authored paper (available from the American Enterprise Institute) "Is Marx striking again?" A well-known British economic consultant, Douglas McWilliams, has called a recent lecture "Perhaps Marx was right after all".

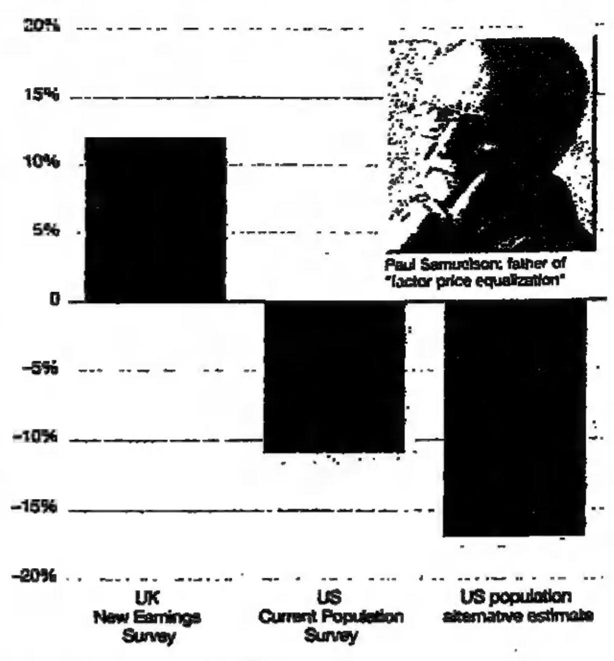
Paul Samuelson himself, lecturing in Italy in 1992, remarked with cautious alarmism : "As the billions of people who live in east Asia and Latin America qualify for good, modern jobs, the half-billion Europeans and North Americans who used to tower over the rest of the world will find their upward progress in living standards encountering tough resistance."

Nevertheless, a person's younger self is often wiser, and I found more helpful a statement Samuelson made 51 years before: "It has been shown that the harm which free trade inflicts upon one factor of production is necessarily less than the gain to the other. Hence, it is always possible to bribe the suffering factor by subsidy or other redistributive devices so as to leave all factors better off as a result of trade." This, indeed, would also be my own "executive summary" of the whole discussion.

Is freer trade, however, really depressing the pay of an important section of workers in the west? Average real hourly earnings of *all* US private sector workers fell between 1979 and 1989 from \$8.17 (in dollars of 1982 purchasing power) to \$7.45. Even allowing for fringe benefits, and taking in the self-employed, they virtually stagnated (rising by an average of ½ per cent per annum). The dispersion between high and low-paid workers has increased

Low wage movement in US and UK

Change in hourly real earnings, bottom 10% male population, 1979–89



Source: Freeman, Katz, paper for IFS., 1993

to levels greater than anything seen since 1940. In the same period the differential earnings of college graduates increased by 30 per cent relative to those with only high-school education. Worst of all, the real hourly wages of young males with 12 or fewer years of schooling dropped *in absolute terms* by 20 per cent.

> **'The suffering factor can always be bribed, leaving all factors better off from trade'**

The same pressures that have expressed themselves in the US in pay stagnation have come to the surface in Europe in unemployment and non-employment (that is workers who have left the official labour force). In the UK both symptoms can be found, as detailed by Edward Balls in his contribution to the booklet *Work and Welfare* (published by the Institute of Public Policy Research).

His view is that developing country exports still account for too small a proportion of manufacturing sales in the west to explain the downward pressure on unskilled wages. Bhagwati also dismisses scare stories about cheap foreign imports depressing the pay of unskilled workers in the US. For the same influences should also depress prices of US imports and domestic substitutes for imports, relative to prices in general; there is no sign of this.

Bhagwati's explanation is "skill-based technical change" mainly of domestic origin. Technical change, he suggests, has been focused more than in the past on the sectors needing high skills. Trade may, however, have an indirect effect here. For it makes production footloose and small cost changes can cause production to migrate between countries. This results in more labour turnover and less training effort. Other sources of pressure include the effect of import pressure in eroding the differentially high wages obtained by unions in industries such as cars and steel.

But whatever the position in the past, international trade movements could well impose pressures on pay levels in future. McWilliams suggests that real hourly labour costs in Europe are likely to decline by over 1 per cent per annum over the next quarter century. He argues that a combination of population growth and spreading literacy will expand the world's labour force – skilled as wells unskilled – from 600m at present to around 4bn in 25 years. Thus labour will become very plentiful and capital extremely scarce.

But there are countervailing factors. If real pay in the developing and former communist countries remains low relative to productivity, as McWilliams postulates, then there must be one of two consequences. There could be a rise in the real exchange rates of these countries, thus dampening their competitive edge. Alternatively, they will accumulate vast export surpluses which can be used to finance the required increases in the world capital stock. This investment in itself will be a source of demand for the products and labour force of the old, as well as of the new, industrial countries.

The implications for policy are indeed not very different whether the downward pressures on labour demand come from imports or from indigenous change. A familiar response is the call for more education and training. There is also the need for more sensitive social security arrangements which will encourage people to stay in the labour market even on low or part-time pay.

But so far the debate is very incomplete. Much more analysis is required of likely pay trends in developing and former communist countries and how they are likely to spend their growing export proceeds. If this were done, their emergence into the world economy may seem less of a threat and more of an opportunity than they do at present.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL
Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Company harmony can show way to peace in N Ireland

From Mr P R Dougan and others.

Sir, Mackie International is located on the Belfast peace line.

All sections of the community enjoy employment in this company, a world leader in the manufacture of textile machinery, in an atmosphere of co-operation, free from discrimination and sectarian division. Mackie International's employees have worked together throughout the most difficult of years in Belfast's troubled history, yet with little disturbance to its internal harmony.

Peace on Belfast's peace line does exist; it has been established within the Mackie company community. All that is required is the extension of the peace process beyond the company boundaries to the entire community. We have proved it is possible.

Our hope for 1994 is that all our citizens will strive vigorously to achieve both peace and, together, prosperity in west Belfast and beyond.

It is possible. It can be achieved.

P R Dougan,
chief executive,
Mackie International,
385 Springfield Road,
Belfast BT12 7DG,
Northern Ireland,
R J Patton,
general manager,
J R Dunlop,
personnel manager,
P Auld,
convenor of Amalgamated Engineers and Electrical Union,
S Kane,
convenor of Transport and General Workers Union

Prize size no disincentive

From Mr Tom Threlfall.

Sir, Unlike R L Webb (Letters, January 1), we do not think the introduction of a £1m monthly jackpot prize will be counter-productive. We know from our post bag that a lot of people will be delighted at the chance of becoming an overnight millionaire.

The overall size of the prize fund has been increased, in order to accommodate the new prize structure. And we will continue to pay out more than 185,000 prizes each month in the range of £50 to £100,000, as the odds against winning a prize in any monthly draw remain unchanged at 15,000 to 1 for each £1 bond unit.

We cannot please everyone. However, we think that we have the spread of prizes about right.

Tom Threlfall,
deputy controller,
Premium Bond Office,
National Savings,
Blackpool FY3 9YP

Co-operation in Scott inquiry

From Mr Christopher Muttukumaru.

Sir, Your story, "Further delays for Iraq arms inquiry" (January 5) suggests ministers are in some way responsible for delaying the work of Lord Justice Scott's inquiry. On the contrary, all serving ministers and former ministers have, thus far, co-operated fully.

So far as Lord Trefgarne is concerned, I have been informed by his solicitors that he is considering with them whether to provide written and/or oral evidence.

Christopher Muttukumaru,
secretary to the inquiry,
Inquiry into exports of defence equipment and dual use goods to Iraq,
1 Palace Street,
London SW1E 5HE

'Good year' for pension funds may have been relatively poor

From Mr Gordon Clark.

Sir, I find your article, "Good year for occupational pension funds" (January 4) – regarding the "impressive" performance of UK pension funds in 1993 – somewhat misleading.

On the basis used by many actuaries to value the assets of an ongoing pension fund, pension scheme assets actually fell by about 1 per cent in 1993. The reasons: the changes in ACT in the April Budget effectively acted as a tax on schemes' future income, and corporate dividend growth was sluggish to say the least.

Those who would seek to accuse the actuaries of living in an ivory tower would do well to consider the number of articles appearing in your paper which attempt to rationalise the current levels of equity markets – shades of 1987 perhaps? Those who would dismiss the actuaries' views out of hand can always fall back on market values. On this basis the investment return was indeed 27.8 per cent. However, the market value of the liabilities of the typical scheme will have increased during 1993 by some 25 per cent due to the fall in long-term interest rates. Both figures need to be considered together.

There is a serious point to be made here. Namely the widespread misconception that short-term market movements have an immediate impact on the long-term finances of pension funds.

It is important that the long-term nature of corporate pension provision is more widely understood. Rather than a good year for occupational funds, 1993 may prove to have been a relatively poor one, with the result that more companies will have to end their contribution holidays or increase their level of contributions, thus continuing a process widely publicised in your paper in 1993.

Gordon Clark,
actuary,
Alexander Clay & Partners,
Carnegie House,
Peterborough Road,
Harrow,
Middlesex HA1 2AJ

Mechanisms for unitary councils already in two-tier system

From Mrs M P Case.

Sir, Martin Easteal, chief executive of the Local Government Commission, described his vision (Letters, December 29) of the outcome of the commission's local government review – "a structure that will ensure local government in the future meets the needs of the community in such a way that many of the functions now undertaken by quangos may instead become the responsibility of local authorities".

That future is not equally envisioned by ministers who are hardly likely to concur with the implied undermining of major Conservative restructuring in the fields of, for example, health, education and waste management. There, power and responsibility have been passed to trusts, to parents and teachers, to companies at arms-length and more commercially driven than local councils.

Moreover, on the ground in the shires, notably in my own county, the preferred option being urged by the lead commissioner, namely the creation of aggregations of districts, ostensibly unitary, is already necessitating proposals for the establishment of a range of joint strategic authorities. They include transportation, and planning, and joint boards for police, fire, magistrates, probation etc. Specialist areas in child care, and the education of children with learning difficulties, are to be handled by agencies; county archives, the Lord Lieutenancy and other functions will be managed by different "lead" authorities.

Surely all of these mechanisms are as dispersed and distanced from the new unitary council concept as the apparently despised quangos.

How can a system be sufficiently resilient to take over the roles of quango, and yet require the creation of manifold bodies to facilitate anew the combination of strategic thinking and local delivery which are the hallmark of the present two-tier system in many parts of England?

Pat Case,
Leader of the Conservative Group,
Lancashire County Council,
County Hall,
Peston, Lancashire

FINANCIAL TIMES
Number One Southwark Bridge, London SE1 9HL
Tel: 071-873 3000 Telex: [redacted] Fax: 071-407 [redacted]
Thursday January 6 1994

Bank of France on its own

The independence of the Bank of France, promoted by both the conservative Paris government and its Socialist predecessor, was enshrined [redacted] law [redacted] the end of last year. It will take time for [redacted] financial markets to accept that French ministers really [redacted] to the bank's nine-man monetary committee, the six outside members [redacted] named yesterday. It [redacted] take longer still for [redacted] perceived advantages of central banking independence – establishment of conditions for low-inflation growth – to [redacted] fully [redacted] the French public. However, independence marks [redacted] important further step strengthening French economic policies after the summer debacle in the exchange rate mechanism.

No central bank can run policies totally [redacted] of constraints [redacted] by [redacted] society in [redacted] operates. The independent Bundesbank [redacted] provided [redacted] for some [redacted] the legislation [redacted] the German [redacted] has [redacted] in [redacted] anti-inflation [redacted] far [redacted] on [redacted] legal protection [redacted] political [redacted] than on [redacted] strong [redacted] in favour [redacted] price stability. This con[redacted] all [redacted] crisis. [redacted] has frequently [redacted] in [redacted] unpopularity of [redacted] government in [redacted], and, on occasion, [redacted] downfall.

By bringing [redacted] the Bank [redacted] qualified [redacted] from [redacted] backgrounds, [redacted] government [redacted] increased [redacted] chances [redacted] be both wise and respected. However, in the long run, the bank's statutes will [redacted] only if the French people remain convinced [redacted] the merits [redacted] anti-inflation policies. Despite the [redacted] setbacks, cross-party support in Paris for the [redacted] franc strategy practised for 10 [redacted] remains intact. In [redacted] and rising unemployment, backing for a firm franc [redacted], however, [redacted] to fix on [redacted] presidential elections.

The Bundesbank built up [redacted] reputation [redacted] toughness during [redacted] 10-year period [redacted] the D-Mark [redacted] not fully [redacted] and foreigners had low expecta[redacted] of German monetary policy. The [redacted] Bank [redacted] has to defend [redacted] are in [redacted] much more testing.

In particular, [redacted] bank must confront [redacted] paradox. To maintain policy credibility – [redacted] to try [redacted] French inter[redacted] rates below German ones – [redacted] French government [redacted] central bank [redacted] maintain a public display of agreement. The [redacted] opportunity for the [redacted] of France [redacted] convincing demonstration of [redacted] independence [redacted] offered by [redacted] monetary crisis. But [redacted] development that [redacted] French authorities [redacted] understandably [redacted]. A [redacted] make the Bank [redacted] independent [redacted] influence [redacted] French [redacted] pres[redacted] by [redacted]. The goal [redacted] worth fighting for. But the struggle has only just begun.

Private affairs

Britain is [redacted] theocracy. Personal relationships are, [redacted] should be, [redacted] matter for the indi[redacted] conscience, guided, [redacted] appropriate, by church or [redacted]. The government should think hard before intervening. It [redacted] tionally [redacted] contracts, [redacted] as marriages. [redacted] must protect the vulnerable, as it is [redacted] to do by chasing fathers for maintenance payments through the Child Support Agency. It has a duty to consider the public expenditure consequences of any particular action, as when it reviews payments to single parents. Beyond [redacted] should shut up.

Mr Tim Yeo, [redacted] junior minister, [redacted] victim [redacted] the [redacted] recognise the limitations of what [redacted] state can usefully say about private behaviour. [redacted] last autumn a number [redacted] ministers have babbled about family [redacted] morality as [redacted] they were something more than politicians. The public perception [redacted] a moral [redacted] has been launched [redacted] partly [redacted] result [redacted] speeches on subjects [redacted] have not been properly thought through. It is also a con[redacted] prime minister's desperate search for a theme that could unify his party. Rightwing ayatollahs shamelessly preached [redacted] virtues [redacted] family life [redacted] Tory conference in Blackpool [redacted] no [redacted] in the hall?

[redacted] then, [redacted] slogan "back to basics", [redacted] and [redacted] in Downing Street, [redacted] The purpose [redacted] have been [redacted] encompass [redacted] rig[redacted] teaching [redacted] and [redacted] strategy for the control of crime, [redacted] the [redacted] to introduce an atmosphere [redacted] fundamentalism into [redacted] political [redacted]. This [redacted] with English history, [redacted] is punctuated by fits of ersatz morality. The present example is a sorry indication of the lengths to which an unpopular government will go in an effort to [redacted] its [redacted]. The effect on [redacted] constituency [redacted] was predictable. They [redacted] they [redacted] him to resign as [redacted] minister, which [redacted] punish him [redacted] his adultery, but [redacted] a mem[redacted] of parliament, which might cost the Conservatives the [redacted] gestures have [redacted] bound[redacted].

Coming from a party [redacted] down, [redacted] again, Lord Parkinson this [redacted] piquant. From a government that flies [redacted] flag [redacted] individual freedom [redacted] particularly curious. [redacted] Conservative [redacted] have promised [redacted] regulation, [redacted] more [redacted] individual enterprise and initiative. Today it is even making instant pronouncements on [redacted] tortuous subjects [redacted] the correct [redacted] at [redacted] a [redacted] assisted by her doctor to have [redacted] baby. That too is a moral issue, best left to theologians and philosophers. The Conservatives [redacted] think again [redacted] meaning [redacted] "family values" and "[redacted] to basics". [redacted] age [redacted] privatisation, [redacted] greatest absurdity [redacted] be [redacted] nationalise morality.

Education reform

Sir [redacted] Dearing's final report [redacted] the [redacted] curriculum and its [redacted] judged in the short term by the extent to which [redacted] recommendations [redacted] good [redacted] in English [redacted]. Opposi[redacted] by [redacted] plans for [redacted] compulsory testing [redacted] 14-year-olds [redacted] summer blew [redacted] govern[redacted] education [redacted]. Early [redacted] are [redacted] the Dearing report will be enough [redacted] win back [redacted] co-operation [redacted] the [redacted] teachers' unions.

In [redacted] term, however, [redacted] Ron's recommendations [redacted] judged by [redacted] extent [redacted] which they preserve the basic principles [redacted] the government's [redacted]. [redacted] national curriculum survives, slimmed [redacted] to occupy no more [redacted] 80 per cent of school time for most children. It will be more closely focused on the [redacted] of literacy, [redacted] and numeracy. Some critics will be disappointed that the core curriculum has not [redacted] more. [redacted]ever, Sir Ron's proposals give [redacted] increased discretion over the content [redacted] day.

Compulsory testing also survives, though simplified and limited to the core subjects of English, mathematics and science. Reductions are [redacted] made in the number [redacted] attainment targets, [redacted] profusion of which has multiplied paperwork for teachers. With testing [redacted] focusing only on [redacted] three core subjects, monitoring progress on non-core subjects will be [redacted] to teacher [redacted]. There is a danger that this could leave parents in the dark over their children's performance in [redacted] subjects until a system of comparing teacher [redacted] can be [redacted].

[redacted] changes have [redacted] intro[redacted] with the aim [redacted] winning [redacted] all but [redacted] implacable opponents [redacted] the government's [redacted] reforms. But Sir [redacted] further in his recommen[redacted] should [redacted] allowed to [redacted] 14-16 year-olds [redacted] subjects. [redacted] children, he suggests that [redacted] time spent [redacted] curriculum [redacted] 60 per [redacted] can develop their interests and preferences.

In principle, this [redacted] an excellent idea. [redacted] practical [redacted] work-oriented courses can engage and motivate children who are not making good progress in [redacted] wholly academic curriculum. They can also help such children develop work practices [redacted] competences which will equip them for the fast-changing [redacted] work.

However, [redacted] need to [redacted] carefully thought out, adequately [redacted] taught by properly trained teachers. They must [redacted] avoid being [redacted] narrowly work-specific, an accusation made by critics [redacted] the new national [redacted] qualifications for people in training. Sir [redacted] rightly says that he expects the development [redacted] proper courses [redacted] take [redacted] years. The creation of vocational [redacted] technical dimensions in English schools [redacted] already [redacted] once [redacted]. The same [redacted] must not be made again.

Struggle to square the Arctic circle

Hugh Carnegy on the chilly reception in northern Scandinavia for potential European Union membership

Descending in [redacted] clatter of helicopters and attended by a pack [redacted] journalists, Mr Jac[redacted] Delors, president of the European Commission, paid [redacted] visit to [redacted] and Ulf [redacted] dairy [redacted] to see what agricultural life is like close to the Arctic Circle.

"He asked us about the subsidies [redacted] get and he visited the cow shed," recalled Irene. "He said farmers in the [redacted] mountains also [redacted] problems." She paused for [redacted] moment. "But [redacted] don't think it is as hard as it [redacted] here."

She is surely right. When Mr Delors visited last spring, the ground at Lillkorsträsk, in Sweden's northernmost county of Norrbotten, was still thick with snow. The little rough barley the Johanssons [redacted] for cattle feed [redacted] not be sown until the end [redacted] May. The growing season is about 130 days, half its length in southern Sweden or Denmark. By midwinter, when there [redacted] fewer than four hours of light [redacted] day, the temperature [redacted] fall below minus 20°C.

What keeps farmers like the Johanssons [redacted] are government subsidies, in their [redacted] milk, accounting for [redacted] one-third of [redacted] farm's income. Despite Mr Delors' visit, [redacted] and Ulf are [redacted]picious [redacted] membership [redacted] the European Union would mean a cut in subsidies [redacted] would undermine the support Stockholm has traditionally pumped [redacted] Sweden's [redacted] northern regions.

As [redacted] the worries of people [redacted] the Johanssons loom large in [redacted] minds of [redacted] in Stockholm, Oslo [redacted] Helsinki. Along with Austria, [redacted] fellow member [redacted] European Free Trade Area, [redacted] governments of Sweden, Norway and Finland must persuade their sceptical electorates [redacted] for entry [redacted] EU in referendums if their applications for membership [redacted] to [redacted]. The aim [redacted] to join by January [redacted] if possible – and if not, [redacted] least in [redacted] participate in [redacted] intergovernmental conference [redacted] the future shape [redacted] in [redacted].

[redacted] EU has [redacted] March 1 as [redacted] deadline for completing accession agreements [redacted] being negotiated with the [redacted] Efta applicants. If [redacted] to, [redacted] four will [redacted] for later in [redacted] year.

Pulling [redacted] this [redacted] round of enlargement, as the process is called, [redacted] scarcely [redacted] important [redacted] the EU [redacted] than [redacted] individual applicants. The [redacted] existing members have committed themselves at successive summits [redacted] bringing [redacted] Efta four into the Union.

Among the applicants, [redacted] of [redacted] vary from country to country – [redacted] beyond [redacted] question [redacted] support for Alpine, [redacted] and sub-Arctic farmers. But as far [redacted] Sweden is concerned, Norrbotten [redacted] a [redacted] the opposition [redacted] membership. The [redacted] opinion polls [redacted] country's [redacted] county show just 13 per [redacted] in favour of membership, with 55 per [redacted] against. This compares with national figures of [redacted] for membership and [redacted] to [redacted] per cent against.

If [redacted] as [redacted] whole tend [redacted] geographically [redacted] philosophically, from [redacted] of Europe, [redacted] 264,000 people who live in Norrbotten, 700km north of Stockholm, [redacted] more [redacted].

The EU is prepared [redacted] put [redacted] in [redacted] highest category [redacted] qualification for regional aid, because of unemployment above [redacted] average of 14 per cent, the [redacted] structural disadvantage of [redacted] long distances within [redacted] region and [redacted] of [redacted] Union. But this [redacted] apparently made little impression in the county. As in [redacted] of the [redacted]try, there is a feeling [redacted] Union membership will further [redacted] egalitarian policies [redacted] disadvantaged [redacted] regions, already squeezed by three years [redacted] hard recession.

"We in the north [redacted] are going [redacted] forgotten," [redacted] Morten Eriksson, [redacted] final-year high [redacted] student [redacted] Hermelinsskolan in Lulea, [redacted] county capital. "We won't [redacted] much [redacted] the European Union." A show [redacted] hands [redacted] 22 of Morten's classmates – who will be eligible [redacted] vote in the referendum – revealed [redacted] in favour [redacted] eight against. If [redacted] the remaining [redacted] were leaning [redacted] "Yes" vote, they [redacted] not prepared to [redacted] it.

"No" and "Yes" campaigners [redacted] say [redacted] feeling [redacted] the Swedish [redacted] of life [redacted] threatened by Union membership [redacted] much [redacted] opposition [redacted]try. Ursula Berge, political editor of Norrländska Socialdemocraten, [redacted] opposition Social Democratic Party's newspaper in the region, says: "Opposition to the EU [redacted] about Swedish neutrality and our independent foreign policy, it is about equality between men [redacted] women, it is about unemployment, about regional questions and [redacted] is [redacted] sovereignty." [redacted] opposes [redacted] SDP's pro-EU [redacted].

In the [redacted] many, [redacted] Berge [redacted] recession [redacted] unprece[redacted] levels [redacted] unemployment [redacted] least partially caused by [redacted] country's market-oriented policies which [redacted] designed to harmonise [redacted] Union. "We had very low unemployment for [redacted] – because of our economic, [redacted] and employment policies. It worked [redacted] people still [redacted] it is possible [redacted] make it work again."

Just [redacted] Christmas, the right-[redacted] government [redacted] Prime Minister Carl [redacted] – [redacted] well as the opposition Social [redacted] leadership – claimed a [redacted] victory in [redacted] sion agreement negotiations with Brussels. Sweden was allowed [redacted] keep [redacted] tough environmental regu[redacted] monopoly on the sale of alcohol, [redacted] an EU ban [redacted] sale of "snus", [redacted] orally-taken wet snuff popular [redacted] Swedes.

These concessions were presented by the government and the Social [redacted] evidence [redacted] Union was [redacted] intent [redacted] remoulding Swedish society. If similarly favourable agreements are struck in the coming months on support for farmers and the regions, then the political establishment in Stockholm may find opinion easier to swing in favour [redacted] membership.

Farmers Irene and Ulf Johansson, for example, [redacted] their initial determination to vote "No" has been [redacted] by concern that [redacted] could [redacted] left isolated, especially if Finland or Norway decides to join the Union. "The level of subsidies will be the decisive issue for us," [redacted] Irene.

But a handicap for the "Yes" [redacted]paign [redacted] the lack of concrete advantages it can hold out for membership. Neither government nor industry, which is overwhelmingly in favour, pretends membership will suddenly boost the economy – especially as Sweden already enjoys [redacted] of the [redacted] fruits [redacted] the Union through [redacted] membership of the European Economic Area.

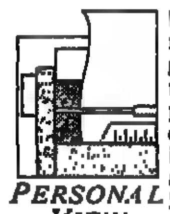
The gist of the "Yes" campaign is the rather defensive line that Sweden would be better off inside the Union, where it can wield [redacted] influence [redacted] policy, than outside, where it has [redacted] influence and where it may lose [redacted] on investment.

At [redacted] until there [redacted] a significant economic upturn, Swedes are reluctant to embrace grand [redacted] schemes which lead away from the certainties of the past, even if those certainties have been shaken. Examples of such feeling include [redacted] rebellion against [redacted] and truck-[redacted] Volvo's plan [redacted] merge with France's Renault – fuelled to [redacted] significant degree by reluctance [redacted] the symbol of [redacted] manufacturing fall under foreign control – and nagging opposition to building a road [redacted] bridge [redacted] Denmark, the [redacted] link between Sweden and the European mainland.

"After what has happened in Sweden [redacted] the last few years, people [redacted] inclined [redacted] say [redacted] everything," says [redacted] Jan-Erik Bergmark, a senior executive at SSAB, the steel company with [redacted] big mill in Lulea. "The economy, employment – [redacted] are [redacted] going [redacted] yet. People are tired and when you [redacted] tired you tend [redacted] say no [redacted] things."

It may [redacted] that the mood [redacted] swung around. An economic [redacted]ery, anticipated [redacted] year, might make [redacted] confident that their country would be strong enough to make its voice heard in [redacted] Union of 16. An accession agreement largely meeting Swedish [redacted] would help reverse the bleak image the EU has at present. EU supporters point out that opinion polls showed a majority in favour of membership [redacted] than [redacted] ago. But in [redacted] of [redacted] winter in Norrbotten, [redacted] heartland [redacted] opposition, signs [redacted] a [redacted] in opinion are hard to find.

UK's wrong turning on training



PERSONAL VIEW

[redacted] UK government [redacted] recently given two important [redacted] future policy directions on the links between education and training. First, it is launching [redacted] apprenticeship scheme. Second, it [redacted] cutting [redacted] number of [redacted] to higher education [redacted] year by 3.5 per cent. There [redacted] good [redacted] for believing this is [redacted] wrong direction [redacted] the UK [redacted] be taking.

During the last decade, a series of [redacted] comparing vocational training in [redacted] UK and other economies [redacted] made clear how limited [redacted] role UK companies played in [redacted] provision of effective initial vocational training for school-leavers.

The central problem [redacted] been a failure [redacted] understand [redacted] institutional preconditions required for [redacted] private sector [redacted] heavily involved in [redacted] initial training of young people. In all the advanced economies in which the private sector plays [redacted] central role in such training (the Scandinavian [redacted]mies, Austria, Germany, Switzerland, [redacted] Netherlands and Japan), there are strong and binding traditions of co-operation [redacted] panies and in long-term links between companies and banks. These "deep structures" of capitalism allow four things [redacted] happen which [redacted] necessary [redacted] persuade companies to commit serious [redacted] to initial training:

1. Wage competition between [redacted]panies [redacted] "managed", so companies do not fear that the employees they have trained will be poached.
2. Companies deal directly with highly resourced employer organisations (in which they have confidence) [redacted] the setting up, updating, monitoring and administration of training programmes. They do not have [redacted] directly with public training agencies (which they are likely in principle to distrust).
3. They have [redacted] long-term finance.
4. With powerful employer organisations behind them, companies [redacted] prepared to allow unions [redacted] important role in both training policy-making and in day-to-day involvement.

British companies [redacted] none [redacted] these advantages. They can rely neither on non-market co-ordination with other companies, nor on long-term links with banks. Any attempt to develop an effective sys[redacted] of vocational training in the [redacted] thus unlikely [redacted] be [redacted]ful.

The qualities increasingly in demand are social, organisational and computing skills

Different "systems" of capitalism, however, have different institutional comparative advantages. In [redacted] quite different area from vocational training, big changes have been occurring in the link between education and the UK economy. [redacted] changes [redacted] similar to, but lag behind, what has [redacted] happening in the US where, in [redacted] so, there appears [redacted] have been a radical change in the nature of skills required. This is especially [redacted] in [redacted] service sectors, [redacted] the skills [redacted] are increasingly in demand are not the type taught in vocational training, but [redacted] social, organisational and computing skills.

The route to [redacted] skills is the education system, but with [redacted]demic quality of education mattering less than prolonged immersion in an environment in [redacted] communication with peers and self-organisation [redacted] important. The US, with [redacted] than 55 per cent of young people going into [redacted] form of higher education, [redacted] the educational pool which [redacted] been [redacted] to [redacted] for this type [redacted] labour force. Productivity in the US is still significantly greater than in Germany and Japan, and greater again than in the UK. Since [redacted] largely [redacted] reflects the performance of the [redacted] service sector, [redacted] higher education road is [redacted] potentially attractive [redacted] for Britain [redacted] down.

The big changes in [redacted] UK [redacted] reflect [redacted] early stages of just such [redacted] direction. Preliminary results of the recent large-scale Employment in Britain Survey attach particular importance to social skills, suggesting a widespread [redacted] in [redacted] demand for "higher social skills, [redacted] instance with respect [redacted] communication and handling people", and to computing skills.

Equally significant [redacted] the [redacted] doubling of the proportion of young people going [redacted] from school to higher education. This can [redacted] partially explained by the pressure [redacted] government education policies. [redacted] it [redacted] hard [redacted] resist the conclusion that [redacted] driving force [redacted] the changing nature of skill requirements. So it [redacted] difficult [redacted] understand why the government [redacted] braking the expansion of higher education, and re-emphasising apprenticeships.

David Soskice

The author is director of [redacted] Economic Change and Employment Institute of the German government's Social Science Centre, Berlin. [redacted] emeritus fellow of University College, Oxford

OBSERVER

Standard of criticism

■ Strange goings [redacted] at the Evening Standard. Yesterday's first [redacted] carried a stirring feature by Stephen Fay, [redacted] well-known financial journalist, on why it was a tragedy [redacted] Paul Newall, [redacted] new Lord Mayor of London, had not picked up the customary knighthood. [redacted] City [redacted] London PR machine admitted [redacted] could not have written a better piece itself.

Hence some surprise when later editions carried [redacted] hurriedly rewritten feature under the same headline, "Turn again [redacted] Major and give this man a knighthood", by an unknown James Watson. [redacted] paper's switchboard had [redacted] heard of him.

The arguments [redacted] much the same and the only real difference was the conclusion. The mysterious Watson, who [redacted] understood [redacted] moonlight as [redacted] of London's evening [redacted] did [redacted] support Fay's conclusion [redacted] future Lord Mayors should "cancel the trumpets, [redacted] the prime minister's name off the guest [redacted] for the [redacted] Guildhall dinner, and let Mr Major find a more humble venue [redacted] tell us about [redacted] of the nation".

Pity. Observer has always felt [redacted] it would be far healthier if London's monopoly on [redacted] of the [redacted] was broken. Why doesn't John Major let Glasgow, Manchester [redacted] Birmingham have a [redacted] at staging the equivalent of the [redacted] House/Guildhall dinners? It would do wonders for the morale of [redacted] regions.

By any other name

■ Arguably the world's toughest military assignment – or the most frustrating – [redacted] to pass to Britain's Lt Gen Sir Michael Rose, newly-appointed commander of UN forces in Bosnia. Just knighted, [redacted] may regard his projection into international prominence with mixed feelings. [redacted] predecessors, France's Philippe Morillon and Belgium's Francis Briquemont got into deep [redacted] by taking a high public profile. The latter is leaving after complaining about having [redacted] few troops and being hounded by bureaucracy.

Sir Michael, 53, currently commanding the UK Field Army, may well [redacted] discreet. Like Britain's Gulf war commander, [redacted] Peter [redacted] la Billière, [redacted] new [redacted] a former special forces chief. During his time in the SAS he [redacted] awarded the Queen's Gallantry Medal. But what for, the army felt unable [redacted] say.

Life goes on

■ Being hounded from office for extra-marital activities is [redacted] necessarily a disaster. Although Tim Yeo will find circumstances [redacted] little tougher from the loss of his £51,402 salary as minister of [redacted] for the environment, [redacted] can of [redacted] still bank upon his MP's salary of £31,687.

He could also take [redacted] leaf out [redacted] David Mellor's book. The former heritage minister [redacted] given sharp handling by [redacted] media pack [redacted] interested in personal muck-raking than digging deeper into the financial and political Westminster miasmas.

Mellor's response? To build a thriving career [redacted] an [redacted] for The Guardian and occasional – and well paid – pundit for [redacted] parts of the very pack which [redacted] snapped [redacted] his [redacted]. Yeo may yet pick up [redacted] pieces [redacted] cheques – perhaps as golf writer for one of [redacted] tabloids.

'Nothing I'm afraid – [redacted] the Sinn Féin voice-overs look like drying up'

Cruellest cut

■ No wonder Jim Payne, [redacted] of [redacted] best-known souls in [redacted] Lloyd's reinsurance market, has opted to step down as vice-chairman [redacted] Sedgwick Group in March.

For [redacted] his business? To the [redacted] Observer's knowledge, nothing [redacted] happened [redacted] his immediate surroundings at Sedgwick Payne, where [redacted] chairman until the end of last year. But his hairdresser, Parkes, something of an institution just around [redacted] from Lloyd's, has caught the Lime Street blight [redacted] shut up shop.

This is significant because Payne [redacted] been known, [redacted] up against a [redacted] particularly crucial underwriter [redacted] his [redacted] rush into the [redacted] brandishing [redacted] piece of paper [redacted] secure the vital signature on the multimillion [redacted] snips.

Mr Bobbie

■ If your ambition [redacted] to [redacted] with City bigwigs, [redacted] banquets and ride the [redacted] police horses in the Lord Mayor's show, hard luck. It [redacted] as [redacted] the job of Commissioner of the City of London Police has been filled.

Bill Taylor, 47, an assistant commissioner at Scotland Yard, [redacted] have beaten Colin Coxall, the acting commissioner [redacted] the City Police, [redacted] a post which [redacted] been empty since Owen Kelly retired unexpectedly early.

Taylor will get [redacted] than [redacted] a year to police the Square Mile, [redacted] he need [redacted] worry about having to cancel Royal visits because of a shortage of funds. And given [redacted] reported crime in the City [redacted] per cent down in 1992 compared with [redacted] per [redacted] rise [redacted] the nation, his bobbies should have plenty of time [redacted] capitalise [redacted] their success in tracking down fraudsters.

Not that the City is free of traditional crime. Commander Hugh Moore, [redacted] respected number three in the City Police, died last month, [redacted] than [redacted] fortnight after being mugged by a [redacted] he was trying to arrest in Old Jewry, near the force's headquarters.

PC Watch

■ Alas, political correctitude [redacted] reached Smythsons, the Queen's Bond Street stationers. Former recipients of The Smythson Businessman's Organiser, staple present for the [redacted] who has everything, now have [redacted] make do with [redacted] Business Organiser. "We still refer [redacted] the Businessman's Organiser here; it's the same thing," trills an assistant.

FINANCIAL TIMES

Thursday January 6 1994

France launches newly independent central bank

[redacted] John Ridding and Alice [redacted] in [redacted]

The French government yesterday completed the final stage of [redacted] creation of an independent central bank, appointing a nine-member council which will have autonomy in the conduct of monetary policy and the determination [redacted] interest rates.

Mr Edmond Alphandéry, the economy minister, described the establishment of the Bank of France's monetary policy council as "an historic step". He said the [redacted] would be as independent as the Bundesbank in the formulation of monetary policy.

The reform, according to Mr Alphandéry, should strengthen the credibility of anti-inflationary policies and brings France into line with [redacted] requirements of the Maastricht treaty on European Union. Under the treaty, member countries must establish independent monetary authorities [redacted] part of the second phase of monetary union. The nine-member council will [redacted] headed by [redacted] Jean-Claude Trichet, the governor of [redacted] Bank of France, and his two deputies, [redacted] Hervé Hannoun [redacted] Mr Denis Ferman.

The [redacted] lay members, described by Mr Alphandéry [redacted] "respected and representative", are drawn from [redacted] of occupations [redacted] journalism to industry. They include Mr Michel Albert, chairman of Assurances Générales [redacted] France (AGF), the state-owned insurance group, and [redacted] Michel Sapin, the former socialist finance minister.

The six lay members have nine-year terms, while the Bank of France [redacted] have six-year terms. Economists and [redacted] in [redacted] they did [redacted] expect any substantial changes in [redacted] conduct of monetary policy.

"Mr Trichet and other influential members of the council support the present policy [redacted] gradually reducing interest rates, while maintaining [redacted] stability of [redacted] currency," said one currency [redacted] lyst. The newly independent central bank does, however, have [redacted] room to ease borrowing [redacted]

The [redacted] of the French franc [redacted] the [redacted] European exchange rate bands, from [redacted] it was [redacted] following [redacted] summer's currency crisis, could allow a [redacted] in the intervention rate, the floor for money market rates, [redacted] its current level of 6.2 per [redacted]

Council members must give up their full-time jobs, [redacted] condition which creates [redacted] need for a replacement for Mr Albert [redacted] AGF. His departure for the monetary policy council [redacted] uum at [redacted] top of [redacted] country's third largest insurance group at a time [redacted] it [redacted] preparing for privatisation.

Editorial Comment, Page [redacted]
[redacted] Page 2
Defenders [redacted] the franc, Page 2

US warns Japan against relying on [redacted] weaker yen

[redacted] George [redacted] in Washington

The US yesterday renewed its call for the Japanese government [redacted] stimulate [redacted] country's economy, and warned it not to hope for [redacted] weaker yen to pull [redacted] out of recession.

Mr Lloyd Bentsen, the US Treasury secretary, said Japan still [redacted] a huge trade surplus and could not look [redacted] the [redacted] and other countries [redacted] make [redacted] for [redacted] domestic demand.

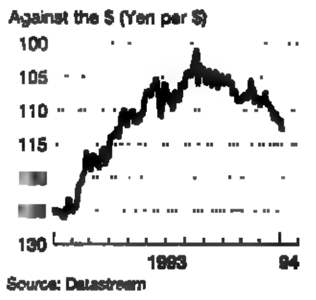
"Allowing the yen to slide is not [redacted] acceptable way out of [redacted] for Japan," Mr [redacted] [redacted] in [redacted] speech yesterday at the Brookings Institution, a Washington think-tank.

Although foreign exchange traders had [redacted] waiting for [redacted] Bentsen's speech, [redacted] yen strengthened only modestly [redacted] remarks.

[redacted] said [redacted] wanted [redacted] see economic policies [redacted] would stimulate [redacted] Japan and help Japanese consumers. "I think if they do that the yen will reflect it," he added.

Yen

Against the $ (Yen per $)



Source: Datastream

Presenting an overview [redacted] the Clinton administration's [redacted] nomic policies, Mr [redacted] expressed confidence [redacted] steps already [redacted] the US [redacted] budget [redacted] would bring more economic good [redacted] in [redacted]

Growth had accelerated steadily throughout 1993 and should reach between [redacted] and [redacted] per [redacted] in [redacted] fourth quarter, [redacted] said, [redacted] inflation [redacted] per [redacted] it had been for years.

"This year I'd like to [redacted] achieve [redacted] growth – and hold inflation to approximately [redacted] per cent. That [redacted] allow interest rates to remain relatively low and reduce further the unemployment rate," Mr [redacted] said.

Noting that, like millions of US homeowners, [redacted] had [redacted] mortgage last [redacted] advantage of lower interest rates, Mr Bentsen said [redacted] had [redacted] an adjustable [redacted] mortgage, "which [redacted] I'm optimistic about what's [redacted] to happen to interest rates".

Although he said the budget deficit [redacted] 1995 fiscal year, starting [redacted] 1, would be only about [redacted] lower than [redacted] earlier forecast, [redacted] get would be very tight.

Croats are warned they face economic sanctions

By Laura [redacted] in Belgrade and Robert Mauthner in London

[redacted] Albright, US ambassador [redacted] the [redacted] Nations, [redacted] yesterday that it could [redacted] international economic [redacted] unless it stayed out [redacted] the Bosnian war.

The warning, issued during a [redacted] conference in Zagreb, the Croat capital, [redacted] Moslem and Croatian negotiators in Vienna promised to make "firm [redacted] to stop [redacted] in central [redacted] a top-level [redacted] ing in Bonn on Saturday.

Mrs Albright [redacted] was "very concerned" by the reported activities of [redacted] Croatian military in support [redacted] nian Croat forces. "We have in [redacted] of [redacted] Cro[redacted] government and military specifically [redacted] the subject," [redacted]

[redacted] followed statement by [redacted] Franjo Tudjman and his senior [redacted] might intervene directly [redacted] support Bosnian [redacted] encircled by Moslem-led Bosnian troops in [redacted] Lasva valley.

In spite [redacted] government [redacted] UN [redacted] and [redacted] Owen, the European Union's [redacted] on Yugoslavia, have [redacted] already given military help against [redacted] Serbs.

In an interview [redacted] Britain's [redacted] 4 television [redacted] night, Lord Owen [redacted] the international community should react as strongly as it did to the Serbian military intervention in Bosnia in 1992.

[redacted] Albright's strictures coin[redacted] with harsh criticism [redacted] all [redacted] participants in the Bosnian war from the Vatican, normally [redacted] unconditional supporter [redacted] Roman [redacted]

"[redacted] individual, much less poli[redacted] can [redacted] themselves [redacted] people to ravage each other [redacted] await [redacted] which would be the rotten [redacted] the crushing [redacted] by the other," [redacted] spokesman [redacted]

[redacted] the joint statement issued in [redacted] by Mr Haris Silajdzic, Bosnian prime [redacted] and Mr Mate Granic, Croatian foreign [redacted] said their plan to halt hostilities would be put [redacted] respective presidents in Bonn on Saturday.

An agreement in Bonn [redacted] clearly [redacted] vital condition for progress [redacted] full-scale negotiations, including [redacted] Serbs, [redacted] to [redacted] place in [redacted] on January 18.

In Paris, the [redacted] ministry said France was asking the US [redacted] help in two proposed operations in [redacted] to relieve [redacted] pressure [redacted] Moslem enclaves. It [redacted] air power and logistical support to [redacted] the Serbian blockade of Tuzla airfield in northern [redacted] and allow a Danish armoured column [redacted] town [redacted]

THE LEX COLUMN

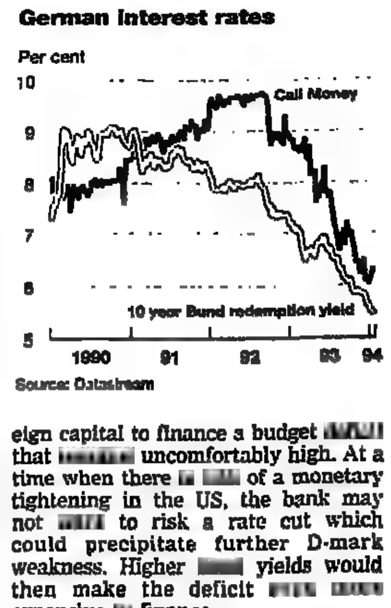
Kmart's store of trouble

Kmart's disappointing earnings record [redacted] past five years certainly demonstrates the need for management action. Yet its [redacted] restructuring plan has clearly proved insufficiently bold to rejuvenate the company's fortunes [redacted] help it catch [redacted] arch-rival Wal-Mart. Yesterday's announcement [redacted] further store relocations and refurbishments, and the partial flotation of several specialist chains to help [redacted] it, [redacted] attempt [redacted] tackle [redacted] of the problems. Many of Kmart's main discount [redacted] remain [redacted] small and badly [redacted] compete effectively against Wal-Mart. Its distribution network is also inferior to Wal-Mart's which boasts technological innovations such as satellite location of its supply lorries and three-dimensional bar coding of goods by product and destination.

But perhaps Wal-Mart's decisive advantage [redacted] been its devolved decision making and close integration with local communities. That has [redacted] it [redacted] natural local [redacted] to visit – an image which Kmart will [redacted] find it hard to change. By contrast, Kmart's attempts to cluster its speciality sports equipment, [redacted] supplies shops around [redacted] spruced [redacted] Kmart store [redacted] sending [redacted] con[redacted] over-complex [redacted] consumers. Some of the speciality retailing operations [redacted] good, but Kmart's involvement looks increasingly irrelevant. Kmart's share rating [redacted] now barely [redacted] third of Wal-Mart's. Full demerger [redacted] an overhaul of all aspects of the discount chain may [redacted] only way to close part of the gap.

[redacted] 3379.2 (-29.3)

German interest rates



Source: Datastream

Germany

Today's Bundesbank council meeting [redacted] a difficult [redacted] interest [redacted] Given [redacted] further rise [redacted] unemployment [redacted] December [redacted] a post-reuni[redacted] high, [redacted] economic outlook is hardly encouraging. The 2.1 [redacted] drop in November industrial production [redacted] more or less certain [redacted] economic output fell in [redacted] fourth 1993 quarter while the 0.8 per cent drop in new orders does not bode well for the [redacted] quarter of this year. Since the [redacted] seems generally [redacted] that inflation [redacted] on [redacted] downward [redacted] would [redacted] for a further [redacted] in [redacted] rates – especially [redacted] economic recovery could yield productivity gains [redacted] would help keep price [redacted] control.

Yet the Bundesbank [redacted] ignore the [redacted] of both [redacted] D-Mark and German bonds. Germany [redacted] foreign capital to finance a budget [redacted] that [redacted] uncomfortably high. At a time when there [redacted] of a monetary tightening in the US, the bank may not [redacted] to risk a rate cut which could precipitate further D-mark weakness. Higher [redacted] yields would then make the deficit [redacted] expensive [redacted] finance.

That [redacted] for some [redacted] vring. The bank could [redacted] discount [redacted] unchanged and simply cut [redacted] money market repurchase rate. But, [redacted] points, the [redacted] between [redacted] already small. [redacted] would [redacted] expectations of [redacted] discount [redacted] cut later [redacted] month [redacted] fever pitch, [redacted] would probably weaken anyway. [redacted] better [redacted] might [redacted] for [redacted] bank [redacted] get [redacted] discount [redacted] cut out [redacted] way now and [redacted] its repurchase operations [redacted] signal [redacted] ket [redacted] will [redacted] catch up only slowly.

Hepworth

Trustees [redacted] much criticised for [redacted] passivity in defending investors, [redacted] it is refreshing [redacted] see Law [redacted] ture Trust taking the [redacted] advantage of Hepworth's bondholders. While the company was entitled [redacted] conversion [redacted] its £100m convertible issue [redacted] month, [redacted] timing meant bondholders [redacted] to lose their final interest payment [redacted] understandably [redacted] hard [redacted] by. [redacted] wrinkle in the covenants, though, Law [redacted] was [redacted] convert [redacted] their behalf – [redacted] the [redacted] ment [redacted] An unusual purchase facility arranged through [redacted] allowed [redacted] to buy [redacted] shares directly from [redacted] trustee yesterday rather than taking their chances in the market.

[redacted] episode signals a [redacted] mood of activism [redacted] trustees, so much [redacted] better. Increased competition from insurance companies is certainly an incentive [redacted] established [redacted] to sharpen their act. But it would [redacted] better if similar sticky situations could be avoided in future. Covenants [redacted] bondholders' entitlements to [redacted] explicit in such circum[redacted] would be a good place to start. Ensuring that interest payment [redacted] fall several weeks before conversion [redacted] might [redacted] help avoid confusion.

Hepworth [redacted] have mixed feelings about the operation. The repurchase facility ensured an orderly market yesterday [redacted] though [redacted] per [redacted] of [redacted] company's enlarged equity changed [redacted] Law Debenture's intervention will have pleased shareholders but [redacted] additional interest. With gearing falling from [redacted] 100 per [redacted] little [redacted] than 10 per [redacted] the [redacted] safely converted, Hepworth can afford [redacted] price.

Granada/LWT

The [redacted] of the 'quartet' [redacted] television companies [redacted] make music together severely impairs LWT's defence strategy. It may also [redacted] Anglia [redacted] a bid and leaves Yorkshire-Tyne Tees' shares looking horribly overvalued. LWT will now have [redacted] rely [redacted] defence [redacted] television [redacted] will [redacted] re-rated [redacted] industry regulation [redacted] relaxed. [redacted] rival bidders [redacted] already be running scared [redacted] prices being slapped on [redacted] table. Besides, budding media conglomerates [redacted] likely [redacted] programme copyrights than [redacted] right [redacted] run TV [redacted]

[redacted] try and despatch LWT quickly by pitching in with a higher cash [redacted] But it has [redacted] fine calcu[redacted] make if it does sweeten [redacted] It will prove hard enough to generate sufficient cost savings [redacted] avoid earnings dilution [redacted] the [redacted] current level. A higher offer would only make the butchery more savage. [redacted] Channel 3 [redacted] to [redacted] scarcity value, they [redacted] fairly dull trading prospects. Intensifying competition [redacted] to sap the strength of [redacted] advertising upturn. [redacted] 4 [redacted] proving adept at grabbing [redacted] slice of the advertising [redacted] while [redacted] operators [redacted] nibbling [redacted] furiously. [redacted]

Greece at odds with EU

Continued from Page 1

was "a provocation".

Mr Pangalos said [redacted] Skopje government had to guarantee to respect Greece's border, while Mr Papandreou hoped that those of his partners who had recognised Macedonia "will exert influence on [redacted] and not only on us".

Mr Jacques Delors, Commission president, yesterday steered well clear of the Macedonian [redacted] troversy, in spite of fears in Brussels and member state capitals that it might provoke [redacted] fresh EU crisis.

Banesto credit plan

[redacted] from Page 1

Morgan's [redacted] led by Mr Roberto Mendoza, [redacted] Morgan vice-chairman, who also [redacted] on Banesto's board.

Morgan estimated [redacted] over-valuation of Banesto's [redacted] Pta372bn, compared with the central bank's figure of [redacted]

Morgan drew up a plan late in [redacted] year [redacted] write down [redacted] of Banesto's Pta7,000bn assets immediately, using Pta180bn of the bank's capital reserves [redacted] releasing a [redacted] credit of Pta85bn.

According [redacted] the intervention document drawn up by the [redacted] tral bank, Morgan also [redacted] to help Banesto raise up to Pta230bn of [redacted] capital [redacted] the following [redacted] months.

[redacted] would include issuing [redacted] in convertible bonds, selling half [redacted] Banesto's controlling stake in Banco Totta y Acores of Portugal and possibly raising additional equity [redacted] up [redacted] Pta60bn.

But the document [redacted] the management had "shown themselves to [redacted] incapable [redacted] correcting the slow [redacted] inexorable decline in [redacted] bank's condition". The document argued [redacted] Morgan's plan was based on several over-optimistic assumptions about [redacted]

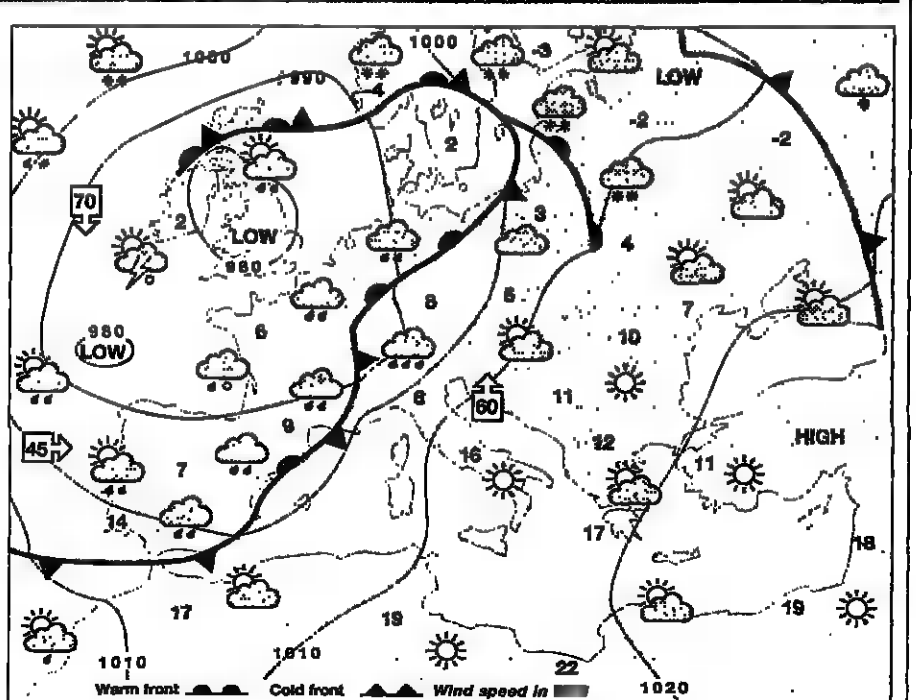
FT WEATHER GUIDE

Europe today

Scandinavia will be cloudy with snow [redacted] times. Maximum temperatures will [redacted] around [redacted] in [redacted] regions. A depression [redacted] the [redacted] will influence [redacted] of [redacted] Europe. The British [redacted] will be mainly overcast [redacted] showery with [redacted] snow in northern and central districts. The [redacted] continent will [redacted] cloudy with heavy rain, especially in [redacted] Spain [redacted] France [redacted] Switzerland. Snow will [redacted] 1200 [redacted] Winds will increase over [redacted] Alps. [redacted] high pressure area [redacted] on Turkey [redacted] bring long sunny spells [redacted] and Italy. [redacted] temperatures will [redacted] just [redacted] normal.

Five-day forecast

[redacted] Friday and Saturday, [redacted] Scandinavia will [redacted] from Sunday [redacted] will [redacted] brighter. Temperatures will [redacted] above 0C [redacted] but will drop [redacted] freezing during the weekend. Showers [redacted] still linger [redacted] Spain and France tomorrow, but the weekend will [redacted] mainly dry. From Saturday, [redacted] pressure will bring heavy showers [redacted] Italy. Cloud will [redacted] this [redacted] but rain [redacted] not expected.



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES

	Maximum		Belfast	cloudy	1	Cardiff	sleet	1	Frankfurt	rain	8	Malta	[redacted]	[redacted]	Rio	cloudy	26
		Celsius	Belgrade	sun	11	Chicago	snow	[redacted]	Geneva	rain	6	Manchester	sleet	1	Riyadh	sun	27
Abu Dhabi	sun	26	Berlin	cloudy	6	Cologne	rain	7	Gibraltar	rain	14	Manila	cloudy	30	Rome	[redacted]	15
Accra	sun	31	Bermuda	cloudy	22	D' Salaam	shower	30	Glasgow	sleet	2	Melbourne	[redacted]	[redacted]	S. [redacted]	[redacted]	13
Algiers	fair	19	Bogota	cloudy	20	Dakar	sun	25	Hamburg	rain	5	Mexico City	sun	17	Seoul	[redacted]	2
Amsterdam	shower	5	Bombay	sun	30	Dallas	fair	18	Helsinki	snow	-3	Miami	sun	25	[redacted]	fair	31
Athens	fair	18	Brussels	shower	7	Delhi	sun	[redacted]	Hong Kong	fair	25	Milan	[redacted]	3	[redacted]	snow	2
B. Aires	shower	31	Budapest	fair	8	Dubai	sun	26	Honolulu	fair	27	Montreal	[redacted]	-18	[redacted]	rain	8
B.ham	sleet	1	C.hagen	shower	4	Dublin	[redacted]	2	Istanbul	fair	11	Moscow	snow	-4	Sydney	fair	35
Bangkok	fair	35	Cairo	sun	[redacted]	Dubrovnik	fair	14	Jersey	rain	8	Munich	rain	9	Tangier	[redacted]	14
Barcelona	rain	12	Cape Town	[redacted]	26	Edinburgh	sleet	3	Karachi	sun	26	Nairobi	cloudy	25	Tel [redacted]	[redacted]	18
Beijing	sun	2	Caracas	cloudy	27	Faro	rain	15	Kuwait	fair	25	Naples	fair	[redacted]	Tokyo	[redacted]	10
									L. Angeles	sun	21	Nassau	[redacted]	25	[redacted]	snow	-9
									Las Palmas	fair	21	New York	[redacted]	0	Tunis	fair	18
									Lima	cloudy	27	Nice	[redacted]	[redacted]	[redacted]	[redacted]	3
									Lisbon	shower	13	Nicosia	sun	17	[redacted]	[redacted]	5
									London	rain	4	Oslo	snow	-3	[redacted]	fair	7
									Lux.bourg	rain	6	Paris	rain	7	[redacted]arsaw	cloudy	3
									Lyon	rain	11	Perth	fair	29	Washington	cloudy	1
									Madeira	shower	19	Prague	cloudy	5	Wellington	fair	19
									Madrid	rain	7	Rangoon	sun	33	Winnipeg	snow	-22
									Majorca	fair	16	Reykjavik	fair	-4	Zurich	[redacted]	7

FINANCIAL TIMES
COMPANIES & MARKETS
©THE FINANCIAL TIMES [redacted]
Thursday January 6 1994

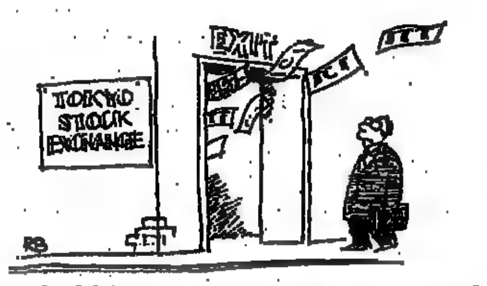
IN BRIEF

Borden to sell off salty snacks

Borden, the US food and wallpaper group that last month sacked its chairman and chief executive, has unveiled plans for a restructuring aimed at reversing a slump in sales and profits. Its loss-making salty snacks business – the second biggest in the US with sales of $750m last year – is to be put up for sale, along with its seafood, jam and jelly businesses. Page 14

Mobile in Belgium
Belgacom, Belgium's state-owned telephone com[redacted], and Pacific Telesis International of the US, have launched [redacted] new mobile phone network for Belgium. Page 14

Tokyo prepares for exits



The delisting last month by three international companies from the Tokyo Stock Exchange hardly came as [redacted] surprise. They are likely to be followed by others, [redacted] the cost of [redacted] presence in Tokyo is not matched by the prestige of [redacted] listing on the [redacted] second-largest exchange. Page 16

Lucas shapes up in US
Lucas, the UK motor components and aerospace group, is restructuring its disparate North American aerospace activities acquired during the industry's heady boom of the late 1980s. Page 18

Enterprise Oil sells Ninian stake
Enterprise Oil has sold its 18.5 per cent interest in the Ninian oilfield, one of the North Sea's largest, to Chevron UK, Murphy Petroleum and Oryx UK, three of the existing seven partners in the field. Page 18

ICL moves to protect profits
ICL, the UK-based computer company in which Fujitsu of Japan has [redacted] majority stake, is to establish its UK manufacturing and supply business as a contract electronics business. The move is part of plans to protect ICL's profitability in the face of persistently weak computer markets. [redacted] 19

Crabtree scrapes past target
Crabtree, the Tyneside-based manufacturer and supplier of metal decorating presses, has reported operating profits of £3.013m ($4.45m) for the 12 months to September 30, 1993. Mr Karl Watkin (left), chairman, and his partner, managing director Mr Matt Cooper, had warranted that Crabtree would make a £3m pre-tax profit, and pledged to repay £5 for every £1 of any shortfall. [redacted]

Doubt over Gatt passage
Mr Mike Espy, US agriculture secretary, cast doubt on the acceptance by the [redacted] Congress of the recent General Agreement on Tariffs and Trade yesterday when he said [redacted] passage will not be "automatic". Page 20

Rising lure of emerging markets
International institutional allocation to emerging markets rose by 3 percentage points to 13 per cent of overseas funds in 1993. Back Page

UK television merger called off
London Weekend Television and Yorkshire-Tyne Tees Television, will today announce that their merger talks are off.

Companies [redacted] this issue

Market Statistics

Chief price changes yesterday

FRANKFURT (DM)			
Rises			
Berliner Kraft	258	+	[redacted]
[redacted]	770	+	20
Rheinmetall	340	+	20
Falls			
Asko Prf	960	–	20
Bayer Vereinsbk	568	–	14
Commerzbank	[redacted]	–	12.5
NEW YORK ($)			
Rises			
Apple Computer	33	+	1⅞
Fed Paperboard	24	+	1⅛
Intl Paper	71⅜	+	1⅜
[redacted]	37½	+	1⅛
Falls			
[redacted]	18¾	–	1⅛
Burlington Coat	20	–	1⅛
PARIS (FFr)			
Rises			
Elex	2985	+	[redacted]
Euro RSCG	630	[redacted]	20
[redacted]	[redacted]	+	27
Radiotechn	414	+	26
Falls			
Air Liquide	[redacted]	–	23
Pernod Ricard	[redacted]	–	10.8
TOKYO (Yen)			
Rises			
Ajinomoto	1340	+	140
[redacted]	[redacted]	+	12
[redacted]	535	+	[redacted]
Isuzu Motors	395	+	26
Sony	[redacted]	+	220
Falls			
Mitsubishi Est	913	–	7

New York prices at 12.30.

LONDON (Pence)			
Rises			
Alders	218	+	14
[redacted]	249	+	26
Brandon Hire	47	+	7
Capital Radio	380	+	20
Crabtree	284	+	13
Haynes Publ	385	+	20
LWT	625	+	20
London Intl	147	+	7
Lonrho	140½	+	6½
Tesk	84½	+	6½
[redacted]	145	+	[redacted]
[redacted]	295	+	10
Tadpole Tech	301	+	26
Tiphook	75	+	9
Tozer Hire	42	+	[redacted]
United News	576	+	22
Yorks-Tyne TV	192	+	18
Falls			
Barclays	514	–	20
[redacted]	5⅛	–	2⅛
Glaxo	693	–	23
ICI	763	–	25
[redacted]	618	–	19
[redacted]	18	–	[redacted]
SmKl Beecham A	391	–	15

US retailer to raise cash from specialty units as it warns of earnings slump after heavy charges

Kmart to offer shares in subsidiaries

By Richard Tomkins in New York

Kmart, the US retailing giant which is under pressure [redacted] revitalise its flagging financial performance, yesterday [redacted] announced that restructuring charges aimed [redacted] improving profitability would [redacted] $1.3bn off pre-tax profits in the [redacted] to January 26.

The company warned that the effect of [redacted] charges, translating into $850m after tax, would [redacted] with disappointing sales to produce [redacted] slump in earnings to [redacted] level "well below" [redacted] previous year's net income [redacted] $941m.

But it tempered the [redacted] news with a plan to sell shares in four of its specialty retailing subsidiaries in [redacted] of targeted stock offerings, aimed [redacted] realising the hidden value of these relatively [redacted] parts of the business. The group's [redacted] fell $¼ [redacted] $21.

The $1.3bn restructuring charge, which [redacted] in addition [redacted] previously announced after-tax charges of $450m relating to the disposal [redacted] the PACE Membership Warehouse and PayLess Drug [redacted] operations, will [redacted] mainly [redacted] the [redacted] closing, relocating [redacted] refurbishing Kmart's discount [redacted] in the US and [redacted]. Kmart [redacted] already entrenched in a store renewal programme announced in February [redacted] but that plan is now being expanded in an attempt [redacted] invigorate [redacted].

Mr Joseph Antonini, chairman [redacted] chief executive, [redacted] discount [redacted] profits fell in 1993 because clothing sales were flat and consumers traded down to lower-margin goods in [redacted] departments.

In addition, profits at the group's Builders Square subsidiary [redacted] hit by severe storms last winter, the PACE membership warehouse operation incurred an [redacted] operating [redacted] in [redacted] first nine [redacted] and the [redacted] a higher interest charge.

As part [redacted] the plan to [redacted] the group, [redacted] will [redacted] by selling shares representing [redacted] cent of [redacted] equity of [redacted] four niche retailing subsidiaries: Builders Square, OfficeMax, The Sports Authority and Borders-Waldenbrooks.

Kmart's existing [redacted] will become shares in the discount [redacted] operation, with the [redacted] in each of the four [redacted] trading separately. Kmart intends to retain majority [redacted] in all four companies, [redacted] initially.

The [redacted] similar [redacted] adopted by Ralston Purina, the animal feed manufacturer, which issued shares in its Continental Baking subsidiary, and by USX Corporation, which issued shares in its US Steel [redacted] Marathon [redacted] operations.

Mr Antonini said: "By focusing on five strong businesses and enhancing our [redacted] flexibility, [redacted] Corporation will be positioned [redacted] improved strategic and financial performance in the [redacted] competitive retail markets [redacted] the [redacted]."

Lex, [redacted] 12

French aircraft group cuts its losses

By David Buchan in Paris

Aerospatiale, the French aircraft and [redacted], [redacted] yesterday [redacted] losses last [redacted] were "significantly" [redacted] in 1992, but [redacted] it could not hope to turn in [redacted] profit until 1995.

Mr Louis Gallois, chairman, claimed that in the current downturn in many aerospace and defence sectors, the group [redacted] well [redacted] limit the fall in turnover [redacted] 5 per cent, from FFr51.9bn ($8.8bn) in [redacted] FFr49.3bn. It had [redacted] reduced indebtedness by FFr1.5bn through cuts in investment, lower interest rates [redacted] a [redacted] back operation.

Gallois: 'We have hit the bottom of the swimming pool'

[redacted] Mr Gallois was pessimistic [redacted] near future. [redacted] fell sharply [redacted] FFr29bn, from [redacted] FFr39bn level booked in [redacted], mainly due to the catastrophic market [redacted] aircraft [redacted] more than [redacted] passengers [redacted] demand [redacted] civil helicopters.

"We have hit the bottom of the swimming pool," [redacted] said, but he could see no sign [redacted] recovery [redacted] 1996-97.

The military and space busi[redacted] done better last year, with Aerospatiale winning Turk[redacted] and Dutch [redacted] for [redacted] military helicopters it [redacted] in [redacted] Eurocopter joint venture with [redacted] Aerospace (Dasa) and selling more missiles, Mr Gallois claimed, than any [redacted] European company.

It was continuing negotiations with Dasa [redacted] form joint [redacted] in missiles and space equipment, along [redacted] lines [redacted] Eurocopter.

Aerospatiale, which lost FFr2.38bn in 1992 and FFr870m in the first half of last year, is on the Balladur government's priva[redacted] list, but [redacted] acknowledged it was "impossible to privatise a company with the [redacted] sheet that [redacted]patiale [redacted] present".

However, it [redacted] possible [redacted] the government might soon allow [redacted] companies to take a limited [redacted].

Possible candidates include French companies [redacted] and the Lagardère group, [redacted] indeed [redacted] itself.

Andrew Jack looks at far-reaching proposals to curtail acquisition accounting

Creativity will be brought to earth

"I'll [redacted] checking [redacted] wheel nuts [redacted] my [redacted] from now on," joked [redacted] Tweedie, chairman of the UK Accounting [redacted] Board, after unveiling tough [redacted] proposals on [redacted] way companies account for acquisitions.

If implemented, the rules will substantially reduce [redacted] for companies [redacted] manipulate profits by creating [redacted] pre-acquisition provisions in the balance [redacted] for [redacted] such [redacted] stock writedowns and reorganisation charges. [redacted] by-pass [redacted] profit and loss account of [redacted] acquirer, and [redacted] unused provi[redacted] later [redacted] to bol[redacted] profits.

Some even [redacted] the new restrictions [redacted] reduce the level of acquisition activity by UK companies.

In a frenzy of activity last month, [redacted] likely [redacted] change fundamentally the future shape of financial reporting: on provisions, capital instruments [redacted] goodwill. All [redacted] threaten [redacted] of the [redacted] favoured weapons filling the [redacted] of creative [redacted] in [redacted] 1980s.

Mr Tweedie may be given to jovial [redacted] phrase, [redacted] behind the humour lies [redacted] concern at the abuses of the past – and a recognition [redacted] the battle [redacted] reform will [redacted] difficult. [redacted] acquisition provisions as [redacted] "black hole" of British accounting. "If I [redacted] put one thing right with [redacted] this [redacted] it," [redacted].

His objection [redacted] to what he [redacted] "big bath" accounting, by which companies can throw in large provisions supposedly [redacted] cover a multitude of future expenses. These "fair value adjustments" are placed in the [redacted] of the acquirer and [redacted] be released to [redacted] profit and loss account.

Financial reporting exposure draft 7 (Fred 7) [redacted] fair values in acquisition provisions, issued in December, toughens [redacted] the position considerably. It restricts the [redacted] for [redacted] write-downs on stock, [redacted] provisions for reorganisation and integration costs or future operating [redacted].

Up [redacted], [redacted] scope [redacted] widespread use of pre-acquisition provisions has been plentiful under [redacted] 22, the existing accounting standard dealing with goodwill – the difference between the [redacted] value and the purchase price of [redacted] acquired business.

A classic instance [redacted] by Mr Terry Smith, the City analyst, in his book "Accounting for Growth". In [redacted] year [redacted] 1989, all but £4m of [redacted] in profits of Coloroll, [redacted] collapsed [redacted] furnishings [redacted], came [redacted] provisions [redacted] than [redacted] operations.

"For two to three years after an acquisition it is [redacted] difficult [redacted] see where the profits are coming from," says Mr Tweedie.

S[redacted] tightening up took place under Exposure [redacted] 53, the non-mandatory guidance issued by [redacted] board's prede[redacted], [redacted] Accounting Standards Committee, in 1990. It called for [redacted] ban on provisions for future [redacted]ings, and far tighter rules on reorganisation expenses.

But [redacted] – though not necessarily unjust – provisions [redacted]. A [redacted] by Company Reporting, [redacted] Edinburgh-based [redacted] monitoring service, shows that [redacted] companies with turnover above [redacted] which made acquisitions during 1991 and 1992, provisions [redacted] an [redacted] of 35 per [redacted] of the purchase price. The [redacted] shows examples from the [redacted] large companies.

In spite of an expected lull [redacted] Christmas, the document [redacted] pre-acquisition provisions has already begun [redacted] flak.

Mr Allister Wilson, [redacted] technical partner with Ernst & Young, the accountancy firm, [redacted] "I think [redacted] ASB has [redacted] baby out [redacted] the [redacted]. Clearly [redacted] has [redacted] abuse. Perhaps British [redacted] has only got [redacted] blame."

[redacted] argues [redacted] a compromise which [redacted] still allow [redacted] for some reorganisation provisions, in line [redacted] generally accepted accounting standards [redacted].

Mr Roger Davis, head of audit [redacted] Coopers [redacted] Lybrand, [redacted] reorganisation [redacted] a form [redacted] capital expenditure [redacted] part of [redacted] purchase price of a [redacted].

Some [redacted] the proposals may dissuade companies [redacted] making acquisitions. However, Mr Nigel Stapleton, chief financial officer [redacted] and [redacted] chairman of [redacted] Group of finance directors of leading British companies, [redacted] doubtful. "I think [redacted] was probably [redacted] area of attention. [redacted] companies look at acquisitions [redacted] a cashflow basis, not for short-term earnings enhancement. Wise readers [redacted] accounts [redacted] already looking at figures [redacted] Fred 7 [redacted].

"There will [redacted] amount [redacted] beating [redacted] drums, but this represents a sensible [redacted] is emerging in international accounting standards," he says.

The [redacted] dilu[redacted] its [redacted] discussion document, which was issued in April [redacted] year, including removal [redacted] requirements forbidding [redacted] provisions [redacted] within [redacted] months of an acquisition. [redacted] it has been unmoved [redacted] principal recommendations, which could be issued in final version by [redacted] of [redacted] year.

If pre-acquisition provisions are [redacted] enough, Tweedie [redacted] more [redacted] follow. The [redacted] is now preparing work on an accounting standard dealing with the ordinary provisions compa[redacted] make, which [redacted].

Provisions versus the purchase price

Examples of acquisition reorganisation provisions expressed as % of consideration

Company	Date	Consideration £m	Provisions £m	Provs/Consid %
BTR	year to Dec 92	98.0	54.0	55.2
British Gas[2]	Apr 92	130.0	55.0	42.3
ICI[4]	year to Dec 92	59.0	20.0	33.9
Allied-Lyons[1]	Dec 92	308.0	80.0	26.0
Hanson	year to Sep 93	1199.0	290.0	24.2
Grand Met	year to Sep 92	229.0	40.0	17.5
BICC[1] [3]	Feb 92	132.5	18.0	13.6
Tomkins	Sep 92	990.5	90.4	9.1
Thorn EMI[2]	year to Mar 93	653.7	48.5	7.4
Cadbury Schweppes[1]	Apr 92	183.8	9.2	5.0

(1) Major [redacted] only
(2) Acquisition provisions, not just reorganisation provisions
(3) Consideration includes future options and is an estimate of total
(4) Acquisition provisions = total fair value adjustments
Source: Company Reporting

GBL launches rights issue for acquisitions

By [redacted] Hill in [redacted]

Belgium's two largest holding companies [redacted] in the market for acquisitions, after Groupe Bruxelles Lambert yesterday launched a rights [redacted] which could raise [redacted].

A senior executive [redacted] GBL, Belgium's second largest holding [redacted] night [redacted] would [redacted] increase stakes in favoured subsidiaries, back new projects and [redacted] purchases. "This simplifies acquisitions, that's for sure," he said.

The GBL rights issue should allow Mr Albert Frère, GBL's chairman, [redacted] keep up with his counterpart [redacted] Générale [redacted] Belgique, Viscount Etienne Davignon, who indicated last year [redacted] Belgium's largest holding company was seeking acquisitions after four [redacted] cost-cutting [redacted] retrenchment.

La Générale raised BFr22.5bn in September with the sale of its [redacted] per [redacted] stake in CBR, its cement subsidiary, and [redacted] 12.5 per [redacted] in Union Minière, the metals group, [redacted] the market in November, thereby raising a further BFr7bn.

Under [redacted] the GBL rights issue, which runs for two weeks starting [redacted] Friday, investors will [redacted] offered [redacted] share [redacted] three [redacted] for every [redacted] shares already owned.

Each share-and-warrant pack[redacted] has been priced [redacted] BFr4,600, raising BFr3.5bn immediately. Subscribers will [redacted] to [redacted] warrants [redacted] BFr4,400-a-share [redacted] end [redacted] 1998.

GBL, which already [redacted] net cash of BFr5bn, owns large stakes in Petrofina, [redacted] Belgian oil company, Banque Bruxelles Lambert (BBL) [redacted] CLT, the Luxembourg-based TV, radio and media group, among others.

[redacted] cent of GBL [redacted] owned by Pargesa, Mr Frère's Swiss-based holding company, and 10 per cent by UAP, the French insurer. Both will [redacted] up the same proportion [redacted] the rights issue. Pargesa [redacted] underwrite a further 7 per cent, and BBL, Banque Paribas Belgique and NM Rothschild the rest.

Before the pricing [redacted] announced, [redacted] BFr4,050, up BFr45 on [redacted] day and their highest since [redacted].

Buyers may leave Glaxo drug

By Daniel Green in London

[redacted] a sharp slowdown in sales [redacted] biggest-selling product, [redacted] ulcer [redacted]ment Zantac, later this year, according to a [redacted] published yesterday by Goldman Sachs, [redacted] US [redacted] broker.

The survey found that [redacted] large majority [redacted] buyers in the US will "allow [redacted] encourage [redacted] use of Zantac" after May. The [redacted] £2.2bn [redacted] a [redacted] sales. May [redacted] expiry of [redacted] patents on [redacted] of the drug's main competitors, Tagamet, made by [redacted] Anglo-US company SmithKline [redacted].

After that [redacted] the active ingre[redacted] Tagamet can [redacted] made by manufacturers of unbranded generic drugs.

Previous examples of drugs leaving patent protection indicate [redacted] prices can fall by up [redacted] 90 per cent.

[redacted] and Tagamet work on a similar principle, which helps explain why healthcare buyers would consider [redacted] change to save money, even though Zantac outsells Tagamet by three [redacted] one.

Glaxo responded [redacted] survey by saying that sales would [redacted] be affected by "making [redacted] cheaper rival cheaper". But the prospect of healthcare buyers actively switching to generic Tagamet hurt Glaxo shares, which fell 23p to 693p yesterday.

Goldman Sachs said [redacted] any [redacted] in Zantac sales would not take place "very quickly". Glaxo became the world's second biggest drugs company during [redacted] thanks to Zantac.

Borden unveils plans for shake-up and sale of units

By Richard Tomkins in New York

Borden, the troubled [redacted] food and wallpaper group that [redacted] month sacked [redacted] chairman and chief executive, yesterday unveiled long-awaited plans for a restructuring aimed [redacted] reversing a slump in [redacted] profits.

[redacted] loss-making salty snacks business – [redacted] second biggest in the [redacted] with [redacted] last year – [redacted] to be put up for sale, along with its seafood, jam and jelly businesses with turnover of [redacted]

The pasta, dairy, and other grocery businesses will be kept, as will the company's wall-covering and adhesive businesses.

Borden will seek to restore profits growth [redacted] businesses by increasing sales and cutting $100m [redacted] a year from costs.

Mr Frank Tasco, who replaced [redacted] Anthony D'Amato as chairman in December, said: "The goal [redacted] programme is to build shareholder value by focusing [redacted] and revitalising our best businesses."

However, the restructuring will hurt in the short term. Borden will [redacted] charges of $650m [redacted] after-tax profits in the fourth quarter [redacted] mainly because the loss-making businesses will have [redacted] be sold [redacted] a price below their [redacted] value.

The result will [redacted] an after-[redacted] loss of $590m to [redacted] for [redacted] a share. The previous year Borden recorded net [redacted] after charges for [redacted] earlier restructuring.

The restructuring plan envis-[redacted] annual dividend being halved to 30 [redacted] a [redacted] in the [redacted] just begun, reflecting [redacted] likelihood [redacted] modest recovery in earnings [redacted] a [redacted] "at [redacted] end of the [redacted] cents [redacted] share range" of analysts' estimates.

The shares [redacted] to $16¼ in early trading on the New York stock exchange yesterday.

Mr Ervin [redacted], Borden's chief executive, said the North [redacted] salty [redacted] business, comprising [redacted] large regional operations, could be sold in total [redacted] in parts. The aim would [redacted] complete all [redacted] by the end of this year.

Mr John McMillin, an analyst at Prudential Securities, said possible buyers of the salty [redacted] business might [redacted] other snack manufacturers, such [redacted] US or United Biscuits of the UK, but [redacted] likely [redacted] be in the store distribution networks rather than [redacted] loss-making [redacted] themselves.

He predicted piecemeal [redacted] totalling [redacted] to [redacted], with the seafood, jam and jelly businesses fetching considerably [redacted]

MCA joins consortium for Osaka theme park

By Martin Dickson [redacted] New York [redacted] Skapinker in London

[redacted], the Japanese-owned US entertainment group, announced yesterday [redacted] was joining a consortium to develop [redacted] theme park in the Japanese city of Osaka, which would be modelled on [redacted] park [redacted] Florida.

Universal Studios Japan will [redacted] than $1bn [redacted] build. Construction will begin in 1996 and the park [redacted] scheduled to open in the spring of [redacted]

[redacted] members of the [redacted]sortium include the city of [redacted] and companies based in the city, including Matsushita Electric Industrial, MCA's [redacted]ent.

[redacted] yesterday the Rank Organisation, which [redacted] its joint venture partner in Universal Studios [redacted] Florida, might [redacted] be involved. In [redacted] Rank [redacted] it had [redacted] right to [redacted] but no obligation, [redacted] considering [redacted] options.

The park development [redacted] by-product [redacted] Matsushita's $6bn [redacted] MCA, which owns Hollywood's [redacted] film [redacted] parks in California and Florida [redacted] on [redacted] movies. It [redacted] the first major project by [redacted] companies [redacted] Japan.

Mr Frank Stanek, head of [redacted] Enterprises International, [redacted] equity participants would include both [redacted] and Matsushita but it [redacted] early [redacted] give [redacted] of investors' [redacted]

The park will be built on [redacted] waterfront [redacted] owned by industrial companies involved in [redacted] consortium, [redacted] might be followed by [redacted] development [redacted] of adjacent properties as [redacted] complete urban [redacted]

The [redacted] of Tokyo Disneyland, which [redacted] suggest [redacted] is [redacted] strong Japanese [redacted] for [redacted] parks.

[redacted] an [redacted] site, some three hours by train from Tokyo, will [redacted] a different [redacted] from Disneyland. It also [redacted] attract [redacted] east Asian [redacted], helped by Osaka's new [redacted] opening [redacted] this [redacted]

Swiss telecoms group's scramble

Ian Rodger examines Ascom's struggle to regain credibility after last year's reports of heavy losses

Such is the sorry state of [redacted] that a [redacted] article yesterday reminding investors the Swiss telecommunications equipment maker [redacted] a semi-exclusive contract with the local PTT was enough to cut 5 per cent off the value of the shares.

Ascom responded quickly, pointing [redacted] it had just signed a new contract for selling private branch exchanges [redacted] to the PTT, and expected to maintain its dominant position in this [redacted] a year market. But to little immediate effect.

The group [redacted] most [redacted] its credibility in [redacted] financial community last year [redacted] its profit [redacted] overtaken by reports of heavy losses. It [redacted] chief executive, Mr [redacted] Vannotti, early [redacted] month and announced [redacted] third divisional reorganisation in [redacted] many years.

But no one expects [redacted] quick turnround. [redacted] formed in [redacted] from [redacted] merger of three traditional protected suppliers [redacted] the Swiss PTT. It [redacted] then apparent [redacted] the domestic [redacted] would be liberal[redacted] and [redacted] hope [redacted] that a merged group could acquire sufficient scale to [redacted] a competitive international supplier.

Today, the prevailing view [redacted] analysts and perhaps even within the group [redacted] that it cannot.

"This [redacted] a classical example of [redacted] merger that did not work," [redacted] Mr Roland Leutenegger, an analyst at Bank Julius Baer in Zurich.

The problem, analysts say, [redacted] that none of the group's main businesses [redacted] large enough [redacted] be internationally competitive. Moreover, [redacted] group [redacted] not have [redacted] resources [redacted] buy large scale, and a stifling ownership structure prevents it from raising [redacted] capital.

The Hasler Werke Foundation, owner of [redacted] largest [redacted] predecessor companies, has a [redacted] per [redacted] voting [redacted] and [redacted] required by [redacted] maintain [redacted] majority. However, [redacted] it has only modest resources, it cannot allow Ascom [redacted] raise [redacted] equity capital nor make large scale, equity related joint ventures.

Since Mr Vannotti's departure, the shares have risen about 20 per cent, apparently in anticipation of a tough turnround expert being appointed [redacted] new chief executive. But analysts are sceptical.

"The problem is not as simple as in [redacted] turnrounds," [redacted] Göçmen, an analyst [redacted] Geneva [redacted] Pictet [redacted] Co, [redacted].

The group has [redacted] successful product lines that it could sell off in a first stage, such [redacted] payphones and [redacted] vending and automatic teller machines. But it has [redacted] where it could be reasonably certain [redacted] massive [redacted] would [redacted] off, he argues.

In the directors' December restructuring announcement, they [redacted] three [redacted] divisions would operate independently [redacted] "facilitate co-operation with one or more industrial partners". They have [redacted] appealed [redacted] alter the [redacted] of [redacted] Hasler Foundation.

Agreement has already been reached [redacted] the loss-making private mobile [redacted] division to a joint venture [redacted] would [redacted] controlled by Germany's Robert [redacted] and observers expect that co-operation arrangements with Ericsson of Sweden in transmission products will be expanded.

[redacted] interest in the [redacted] may [redacted] be a play on [redacted] group's [redacted] asset [redacted] At the end of [redacted] this was SFr2.45bn [redacted] SFr2,600 a [redacted]. The [redacted] loss [redacted] widely expected [redacted] be [redacted] to [redacted] or SFr700 per share, but [redacted] would still [redacted] the book [redacted] above [redacted]terday's [redacted] per bearer share.

Mr Leutenegger rates the shares a hold on [redacted] basis, [redacted] assuming [redacted] devalue some [redacted]

Mr Göçmen [redacted] more sceptical. "Who is going [redacted] interested in buying [redacted] production capacity in Switzerland?" he [redacted]

Imasco sees upturn in earnings

By Robert Gibbens in [redacted]

IMASCO, the financial services, tobacco and retailing group, [redacted] streamlining [redacted] food business and expects improved earnings for [redacted]

Fully-owned Hardee's [redacted] Systems [redacted] selling [redacted] marginal Roy Rogers [redacted] Philadelphia [redacted] Boston Chicken for C$30m (US$23m), requiring [redacted] special C$14.6m after-tax charge against Hardee's fourth-quarter earnings.

Hardee's will concentrate [redacted] building the Roy Rogers chain in Baltimore, Washington [redacted] New York. In all, Hardee's operates more than 4,000 corporate and franchised restau[redacted] in 40 [redacted] and 11 countries overseas.

Imasco, [redacted] per [redacted] held by BAT Industries of the UK, [redacted] or [redacted] share, [redacted] 5 per cent, in the [redacted] of 1993.

Sales were C$12.3bn, up [redacted]

VNU expects to beat forecast with 12% rise

By Ronald van de Krol in Amsterdam

VNU, [redacted] of the Netherlands' top three publishing groups, expects [redacted] report a 12 per cent increase in [redacted] profit before extraordinary items, slightly [redacted] of 10 [redacted] growth.

[redacted] VNU reported [redacted] profit of Fl [redacted] activities [redacted] taking [redacted] extraordinary charge [redacted] Fl 80m [redacted] of [redacted] printing operation [redacted] early 1993.

In August VNU had predicted a [redacted] per [redacted] in 1993 [redacted] profit, [redacted] line with [redacted] for [redacted] first half of [redacted] year.

Mr Joep Brentjens, chairman, described the performance [redacted] satisfying because [redacted] had [redacted] profits [redacted] margins in spite of [redacted] unfavourable economic climate. Final figures for 1993 will be released in the spring.

VNU said yesterday it posted substantially better results in consumer magazines in the Netherlands; business [redacted] operations, which [redacted] European countries; business information [redacted] in the US; educational publishing; [redacted] commercial television in Belgium and [redacted] Netherlands.

[redacted] Robeco, the Dutch-based investment [redacted] under management [redacted] by [redacted] per cent [redacted] record [redacted] in [redacted] Fl 46.4bn [redacted]

The surge [redacted] due [redacted] an increase in [redacted] value [redacted] assets, reflecting buoyant capital [redacted]kets, and [redacted] 25 per cent rise in client [redacted] 600,000 [redacted]

[redacted] strategic partnership with Rabobank, the Dutch co-operative bank, yielded around Fl 5bn in new funds from investors seeking [redacted] compensate [redacted] interest paid [redacted] savings [redacted]

Robeco said all its investment [redacted] showed "excellent" results last year.

The group's flagship Robeco equity fund, which invests in [redacted] around [redacted] world, [redacted] performance [redacted] 30.0 [redacted] in 1993, compared [redacted] per [redacted] in 1992.

PacTel and Belgacom launch Belgian mobile phone network

[redacted] Hill in [redacted]

Belgacom, Belgium's state-owned telephone company, [redacted] International of [redacted] US, yesterday [redacted] a mobile phone net[redacted] for Belgium and prom[redacted] closer co-operation.

The network, which started operating [redacted] January 1, is [redacted] fruit of a [redacted] alliance, the first between [redacted] public European telephone operator [redacted] a private cellular phone company. [redacted] launch strengthens another [redacted] in [redacted] growing network of strategic alliances [redacted] telecoms groups in Europe [redacted] US.

PacTel, part of Pacific Tele[redacted] – one of [redacted] regional [redacted] telecoms companies – said yesterday it would go on [redacted] build a formal joint venture with Belgacom. PacTel will own 25 per cent of the subsidiary, [redacted] expects to [redacted] deal by the middle of this year.

Mr Jan Neels, PacTel International's president and [redacted] executive, [redacted] subsidiary [redacted] be responsible [redacted] the digital "GSM" [redacted] phone system launched yesterday, and Belgium's existing anal[redacted] cellular network, which could be phased out as clients switch to [redacted] Europe-wide [redacted] network.

"If there [redacted] opportunity, which [redacted] good [redacted] for Belga[redacted] ourselves, [redacted] could work together in [redacted] areas . . . [redacted] Belgium [redacted] outside Belgium," [redacted] Mr Neels, [redacted] Belgian citizen. He [redacted] development of paging services might be one such opportunity.

[redacted] Kok, Belgacom's chief executive, [redacted] the GSM system – Proximus – [redacted] signed up more [redacted] 2,500 sub[redacted] January 1.

[redacted] European [redacted] still examining Belgian legislation which prevents a competi[redacted] entering [redacted] mobile phone market, which [redacted] believes [redacted] incompatible [redacted] European competition rules.

Mr [redacted]ment [redacted] an efficient [redacted] phone subsidiary meant Belgacom had [redacted] all three targets it set itself for 1993.

The [redacted] had [redacted] reduced the [redacted] new customers, [redacted] launched [redacted] image, more in line with [redacted] growing autonomy from [redacted] government control.

The Belgian government [redacted] repeatedly indicated [redacted] privatise part of Belgacom, possibly as early as this year. But senior Belgacom [redacted]tives believe this may [redacted] soon, given [redacted] restructuring [redacted] still under way, and [redacted] group must [redacted] for full liberalisation of [redacted] European [redacted] market by 1998.

PacTel is [redacted] being [redacted] from [redacted] parent [redacted] owns [redacted] California [redacted] Bell.

Cartel office warns Krupp over unit sale

Germany's cartel [redacted] the Krupp Hoesch [redacted] obliged [redacted] sell [redacted] shock absorber unit Krupp Brueninghaus [redacted] that a change in market conditions [redacted] from breaking an agreement with the cartel office, Reuters reports [redacted] Berlin.

The cartel [redacted] Krupp, which [redacted] part [redacted] 1992 acquisition [redacted] Hoesch [redacted] agreed [redacted] by [redacted] 1993, had [redacted] fulfilled that requirement. "In order [redacted] ensure [redacted] guarantees [redacted] fulfilled, the cartel [redacted] will [redacted] use [redacted] all [redacted] break [redacted] cartel," the agency said.

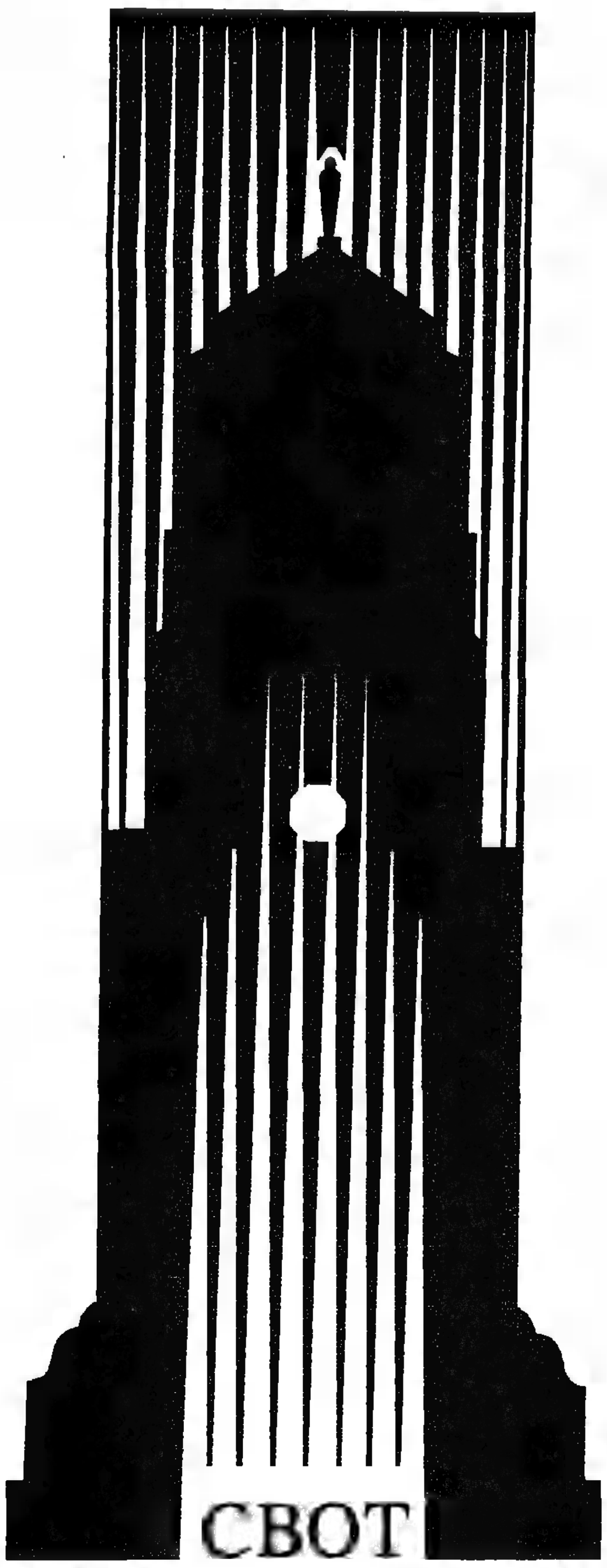
The [redacted] recently told [redacted] cartel [redacted] it could not fulfil the requirement [redacted] sell [redacted] unit because of extremely negative [redacted] developments.

Krupp Hoesch shock [redacted] operation has [redacted] sales [redacted] about DM900m [redacted]

178,773,105.

A world volume trading record we couldn't have set without you.

Thanks to the confidence placed in our markets by the financial and agricultural communities worldwide, in 1993 the members of the Chicago Board of Trade set a new world contract trading record. We never could have reached this milestone without you. Together we eclipsed our old world record by more than 24 million and our nearest competitor's by over 32 million. We're proud of what we've all achieved together in '93 and look forward to the promise of the new year.



THE WORLD'S LEADING FUTURES EXCHANGE

BSkyB deputy takes [redacted] at Asian satellite Star

By Raymond Snoddy

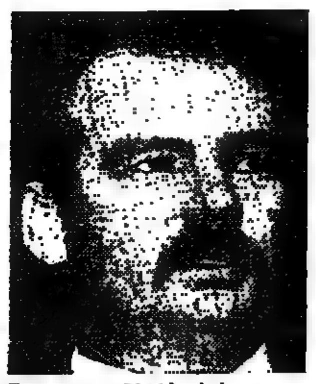
Mr Gary Davey, deputy managing director [redacted] BSkyB, is taking [redacted] as chief executive [redacted] TV, [redacted] Asian satellite venture, "with immediate effect".

Mr Davey, [redacted] Sky Television since [redacted] before [redacted] with BSB [redacted] form BSkyB, replaces Mr Jim Griffiths, who began running [redacted] five-channel [redacted] in August after [redacted] Rupert [redacted] News Corporation took [redacted] majority stake in [redacted] deal.

The previous chief executive of Star, Mr Julian Mounter, [redacted] to resign soon after Mr [redacted] control.

Star, which broadcasts by satellite [redacted] 38 [redacted] countries, [redacted] believed [redacted] be available [redacted] more than 20m homes.

Last [redacted] Mr [redacted] made it clear that [redacted] have



Davey: [redacted] in Asia

specially tailored [redacted] for India [redacted] China, [redacted] they were such different cultures. A separate Indonesian service could [redacted] later.

One possibility is [redacted] specially dedicated channel for [redacted] Indian sub-continent. At [redacted] moment the package distrib[redacted] everywhere includes BBC World [redacted] Television, [redacted] and a Chinese [redacted] channel.

The [redacted] the BBC [redacted] nel on [redacted] yesterday [redacted] be "under discussion": [redacted] is said to be [redacted] break point in the [redacted] later this [redacted] planning [redacted] film [redacted] in [redacted] time, but no firm launch [redacted] been [redacted] and [redacted] review.

[redacted] Chisholm, managing [redacted] of BSkyB, [redacted] tium in [redacted] Corp [redacted] 50 per [redacted] Pear[redacted] of the [redacted] Times, has [redacted] stake, [redacted] in [redacted] charge [redacted] both [redacted] Star.

[redacted] that [redacted] founder [redacted] Hong Kong [redacted] Li Ka-shing [redacted] an [redacted] until [redacted] the [redacted] of Hong Kong [redacted] Chinese rule.

Mobil hit by one-off $250m charge

By Richard Waters in New York

[redacted] slump [redacted] world oil prices [redacted] forced Mobil, the US [redacted] announce [redacted] charge [redacted] cover [redacted] of its [redacted] tory.

However, [redacted] one-off hit is unlikely [redacted] be [redacted] by write-downs [redacted] other [redacted] oil [redacted] industry reports [redacted] full-year [redacted] shortly.

Mobil's charge, a [redacted] be [redacted] in [redacted] ter [redacted] arises [redacted] the timing of [redacted] company's [redacted] in, first [redacted] accounting (lifo) for [redacted] oil inventory [redacted] operations.

[redacted] company [redacted] the [redacted] the oil price [redacted] of [redacted] Other [redacted] oil [redacted] all believed to [redacted] adopted lifo accounting [redacted]

[redacted] a result, [redacted] inventory is higher [redacted] than [redacted] competitors, forcing [redacted] take a charge [redacted] oil prices fall sharply.

● [redacted] Airlines, the [redacted] carrier which emerged from Chapter 11 bankruptcy protection [redacted] November, [redacted] parted [redacted] top [redacted] executives: Mr [redacted] Howard, chairman and [redacted] executive, [redacted] Mr Glenn [redacted] der, vice-chairman, writes [redacted] Tomkins.

In [redacted] had resigned. Mr [redacted] left for personal reasons but there [redacted] no explanation for Mr [redacted] departure.

TWA said Mr [redacted] place [redacted] Mr [redacted] Craib, an existing [redacted] formerly chairman and chief [redacted] of [redacted] Group. Mr Robin Wilson, vice-chairman and chief operations officer, would retain those positions, [redacted] company said.

Tokyo's high price of prestige

Fewer foreign companies [redacted] willing to pay, reports Wayne Aponte

After four consecutive [redacted] of declining Japanese equity prices, Tokyo Stock Exchange (TSE) [redacted] are conditioned [redacted] expect the [redacted]

The delisting [redacted] month by three international companies hardly came as [redacted] surprise. [redacted] news was one more blow [redacted] TSE's plans [redacted] make Tokyo a truly international exchange.

[redacted] of [redacted] three – Imperial [redacted] Industries (ICI), Dial Corp., and ITT – said maintaining [redacted] Tokyo listing was [redacted] heavy financial burden, and complained [redacted] a decrease [redacted] shareholders [redacted] drop [redacted] trading volume.

They [redacted] likely [redacted] followed by other international companies, as the cost of [redacted] presence in Tokyo [redacted] by [redacted] prestige [redacted] listing on [redacted] world's second-largest exchange.

[redacted] officials hoped [redacted] listing would [redacted] for both [redacted] foreign company's global image [redacted] for [redacted] business relations in Japan. [redacted] Eisuki Nagatomo, [redacted] director [redacted] TSE's [redacted] of listing supervision, [redacted] that [redacted] exchange was disappointed [redacted] "so many foreign companies" have [redacted] the past [redacted] years, and [redacted] no [redacted] companies [redacted] interested [redacted] listing.

"Japanese [redacted] don't [redacted] in their shares because they can't gain sub[redacted] profits," [redacted]

[redacted] that Japanese private [redacted] high [redacted] yields from some foreign [redacted] during [redacted] decade, [redacted] yen's apprecia[redacted] against [redacted] capital gains, making them [redacted] attractive [redacted]

The primary reason [redacted] the [redacted] from the TSE's foreign section, however, [redacted] the plunge [redacted] the [redacted] Average [redacted] coupled [redacted] subsequent [redacted] in investor [redacted] local shareholders.

The [redacted] average, [redacted] an all-time high [redacted] in [redacted] near 17,000, [redacted] market participants [redacted] reason [redacted] hope for [redacted] big [redacted] in Japanese equity prices [redacted] year.

Ten foreign companies withdrew from [redacted] exchange in 1993, bringing [redacted] companies on [redacted] foreign section [redacted] the TSE down [redacted] 110.

TOKYO SE Average daily trading in foreign stocks		
	Volume (m shares)	[redacted]
1985	461	[redacted]
1986	1,110	4,129
1987	2,756	12,661
1988	792	2,913
1989	1,928	11,235
1990	1,041	8,193
1991	813	2,116
1992	349	635
1993	237	[redacted]

[redacted]

During [redacted] high-profile companies such [redacted] General Motors, Philips Electronics, and Avon, [redacted] US-based [redacted] and toiletry manufacturer, [redacted] Nynex, the [redacted] communications company, and Robeco, the Netherlands-based banking and insurance com[redacted] have sought a delisting next month.

Brokers [redacted] there are [redacted] good [redacted] for international companies [redacted] maintain [redacted] pres[redacted] on the exchange amid Japan's prolonged [redacted] economy and financial markets.

Average daily trading volume on the foreign section of the [redacted] peaked in 1987 with [redacted] shares; but for September 1993 it totalled 295,000 shares.

Only those companies [redacted] deem a Tokyo listing indispensable for their [redacted] busi[redacted] rather than for financing from Japanese investors, are likely [redacted] remain.

The daily exposure [redacted] with [redacted] Tokyo listing [redacted] have value in Japan, and [redacted] help build [redacted] business relationships. But, balanced against the cost, international companies [redacted] been receiving the benefits over the [redacted] that they expected. The high cost of translating documents into Japanese and [redacted] reports [redacted] finance ministry have only [redacted] their [redacted] nomic [redacted]

In [redacted] ICI, [redacted] overall annual cost of [redacted] Tokyo listing [redacted] 1992 was [redacted] the [redacted] said. ICI's [redacted] plunged to 39 in 1993 from [redacted] in 1988, it added.

[redacted] question facing the [redacted] year [redacted] how many more companies will find this cost [redacted] much [redacted] bear.

More job cuts possible, says Digital's European president

By Alan [redacted]

Mr Vincenzo Damiani, Digital Equipment's newly appointed European president, yesterday outlined a [redacted] plan [redacted] restore growth and profitability to the [redacted] computer company's European operations.

[redacted] staff [redacted] company's headquarters in Geneva, Switzerland, yesterday heard him prescribe measures [redacted] regenerate growth, improve efficiency [redacted] develop closer relationships with customers and business partners.

[redacted] said it was [redacted] "distinct possibility" [redacted] more jobs would [redacted] in Europe [redacted] the 3,000 planned for [redacted] financial year. Digital employs [redacted] 30,000 people in Europe.

Yesterday's meeting was the first in a 60-day programme of visits throughout Europe at which Mr Damiani, who [redacted] International Business [redacted] before joining Digital last December, intends to explain his plans [redacted] the European workforce.

Digital [redacted] one [redacted] ond only to IBM [redacted] puter manufacturers, but it [redacted] by falling prices [redacted] moves by [redacted] smaller, industry-standard computer systems. European [redacted] traditionally provide Digital with half [redacted] revenue, but weakness in Italy and Germany contributed to [redacted] 9 [redacted] fall in operating revenues in [redacted] first-quarter results.

Mr Damiani [redacted] IBM for 29 years, [redacted] final appointment there [redacted] general man[redacted] for marketing and [redacted] vices. A member [redacted] IBM's management elite, his [redacted] Digital [redacted] with [redacted] surprise by former colleagues.

[redacted] Damiani's objectives [redacted] the [redacted] will [redacted] met, [redacted] says, by [redacted] "action points". He intends, for example, [redacted] Digital's [redacted] companies [redacted] identifying [redacted] number [redacted] niche markets in specific industries and for specific products.

A major [redacted] will [redacted] increase marketing [redacted] selling competency while forming [redacted] relationships with business partners – [redacted] systems integrators [redacted] value [redacted] Digital's hardware. [redacted] pinned [redacted] of its hopes [redacted] its high powered "Alpha" microprocessor chip, but [redacted] proved slow [redacted] develop and Digital [redacted] found [redacted] of [redacted] newly-introduced personal computer [redacted] beyond its existing [redacted] tomers.

GE Capital takes 20% stake in ship management company

By Charles Batchelor, Transport Correspondent

General Electric Capital Corporation [redacted] acquired [redacted] per [redacted] stake [redacted] V Ships, [redacted] Monaco-based ship management company, [redacted] move [redacted] is expected [redacted] increased investment by [redacted] Capital [redacted] the shipping sector.

V Ships is one [redacted] largest ship management companies, maintaining [redacted] crewing vessels for their [redacted] and, to a lesser extent, providing and operating vessels for [redacted] seeking [redacted] put [redacted] into [redacted] shipping sector. [redacted] ships [redacted] management.

The company [redacted] currently jointly [redacted] by Vlasov Group, [redacted] shipowning company, [redacted] by [redacted] holdings [redacted] 40 [redacted] cent.

[redacted] price [redacted] the [redacted]

GE Capital [redacted] historically provided leasing [redacted] loan finance to [redacted] shipping industry, [redacted] is also [redacted] large container leasing [redacted]

The demand for [redacted] vessels built [redacted] higher environmental standards, including the provision of double-hulled tankers, [redacted] ageing [redacted] the present [redacted] expected to [redacted] substantial [redacted] shipping [redacted] few [redacted]

An investment in V Ships will enable GE Capital to [redacted] better, the [redacted] companies [redacted] in a joint [redacted]

GE [redacted] expects [redacted] pursue more extensive shipping projects, normally involving investing in [redacted] management.

[redacted] of [redacted] GE/V Ships deal comes within a few months of [redacted] spate of equity issues by shipping companies in London, New York and Scandinavia.

Dickson sells holding in Hong Kong optician

Dickson Concepts, [redacted] Hong Kong-based fashion retailer [redacted] wholesaler, [redacted] yesterday [redacted] controlling [redacted] in Innovisions [redacted] a mainland company, writes [redacted] Lucas in Hong Kong.

Maxton International, 60 per cent [redacted] by [redacted] subsidiary of a state-owned enterprise, Shenzhen Building [redacted] Industrial Group Company, will subsequently [redacted] gen[redacted] offer [redacted] all outstanding [redacted] Innovisions, an optician and optical goods [redacted]

Earlier attempts [redacted] sell [redacted] month [redacted] buyer [redacted] Dickson Concepts [redacted]

[illegible]

INTERNATIONAL CAPITAL MARKETS

Traders' hopes for German rate cuts fade

By Conner Middelmann in London and Frank McGurty in New York

After rallying sharply in the last weeks of [illegible], European bond markets have started the new year [illegible] a sour note, and continued their recent slippage yesterday [illegible] traders scaled back expectations for imminent German monetary easing.

[illegible] the [illegible] break, the Bundesbank had been widely expected to cut key lending rates early in [illegible] year, said Mr Stephen Dulake, bond strategist at PaineWebber International.

However, "there [illegible] an air of speculation about the December rally", and the [illegible] correction in European bond prices might be seen [illegible] a shake-out [illegible] short-term speculative positions rather than concerted investor selling, Mr Dulake said.

[illegible] D-Mark [illegible] a lack [illegible] fresh economic data, [illegible] market participants expect the Bundesbank's central bank council to cut official interest [illegible] at today's meeting.

"The most [illegible] expect [illegible] fixed-rate [illegible] at [illegible] slightly lower rate, around [illegible] per cent," said Mr Stuart Thomson, [illegible] economist at [illegible] Europe.

However, such a move would leave the repo [illegible] only [illegible]

GOVERNMENT BONDS

[illegible] points above [illegible] discount rate, which is "too tight for comfort," [illegible] said.

Others felt the Bundesbank might hold the [illegible] unchanged at 6 per cent, but lower the discount rate to [illegible] room for [illegible] easing. [illegible] early December, [illegible] Bundesbank [illegible] repo [illegible] at [illegible] cent.

Meanwhile, Bundesbank council member Mr Jürgen [illegible] in a radio interview that "the level of short-term [illegible] high for the [illegible] that [illegible] find ourselves in," and that the Bundesbank would continue [illegible] lower rates in the [illegible] of 1994. However, he [illegible] that the Bundesbank must [illegible] cautiously in order [illegible] maintain exchange-rate stability, [illegible] Germany [illegible] heavily on capital inflows.

[illegible] bund futures contract ended [illegible] 100.81, down 0.15 point from Tuesday's close.

■ Rate [illegible] in [illegible] Austria led their bond [illegible] to outperform Germany. After [illegible] Danish central bank lowered its discount rate by 25 [illegible] points [illegible] per cent, [illegible] Danish 10-year yield spread over [illegible] German counterpart narrowed to 50 [illegible] points, from 55 [illegible] Tuesday.

Austria [illegible] Gomex rate by 10 [illegible] points to 6 per cent and [illegible] 10-year yield premium [illegible] bunds [illegible] around [illegible] points, from [illegible] at Tuesday's close.

■ French [illegible] tracked [illegible] lower, leaving the 10-year yield [illegible] Germany unchanged at [illegible] points. The [illegible] futures [illegible] on Matif fell 0.04 point [illegible]

■ UK gilts also weakened [illegible] the market paused after its year-end rally. "Gilts haven't [illegible] a significant correction during their recent run, and many investors [illegible] taking a breather," [illegible] Mr Jon Laury, [illegible] gilts sales at [illegible] Europe.

The March long gilt future fell by [illegible] to 118[illegible].

■ Having flirted with opti[illegible] in the previous session, [illegible] Treasury market turned gloomy yesterday [illegible] further signs of [illegible] acceleration.

By midday, [illegible] benchmark 30-year government bond was [illegible] lower [illegible] 98[illegible], with the yield rising [illegible] per cent.

At the short end, the two-year note was down [illegible] at 99[illegible], [illegible] yield 4.283 per cent.

Prices [illegible] early trading [illegible] profit-takers capitalised [illegible] a burst of buying late on Tuesday.

[illegible] upturn, the [illegible] in [illegible] sessions, [illegible] news suggesting [illegible] growth in the car [illegible] retail sectors was easing.

However, yesterday's economic news was stronger than expected and undercut any confidence on inflation that [illegible] been restored the day [illegible]lier. The Commerce Department reported November factory orders rose 1.4 per cent, against forecasts of 1.3 per cent and an October increase of 1.2 per cent.

The data exerted further pressure on the long end of the market, which is [illegible] sensitive to developments that could trigger higher [illegible] and producer prices.

Traders expect [illegible] significant [illegible] Friday, when December employment figures are due.

Abbey National launches $1bn three-year offering

By Sara Webb

Abbey National [illegible] the focus [illegible] attention yesterday [illegible] UK [illegible] launched a $1bn, three-year deal.

Abbey National [illegible] a fairly frequent borrower and [illegible] already launched large five-year [illegible] 10-year [illegible] in [illegible] Eurodollar sector.

However, [illegible] Gareth Jones, Abbey National's treasurer, said that he was keen [illegible] tap investor demand for the US currency by launching [illegible] short-[illegible] issue, given the current uncertainty [illegible] the direction of [illegible] interest rates.

"We believe [illegible] will [illegible] the [illegible] three-year benchmark issue," said [illegible] syndicate official, noting good [illegible] institutional investors on [illegible] continent.

The proceeds [illegible] the bonds, which have [illegible] 5 per cent coupon, were swapped [illegible] ing rate dollars to provide funding [illegible] "a [illegible] basis points above Libor", [illegible] Jones said.

The market continued to [illegible] plenty of post-holiday activity with new issues in a wide range of currencies, particularly the Eurolira sector.

Yesterday [illegible] launch of a [illegible] L650bn of Eurolira

INTERNATIONAL BONDS

deals, following Tuesday's total of L950bn.

Syndicate officials [illegible] also expecting a L1,000bn issue [illegible] the European Invest[illegible].

From the issuers' point of view, the flood of Eurolira issues reflects the relatively attractive swap opportunities, mainly into US dollar floating and fixed rate.

Eurolira specialists point [illegible] that the sector had been practically devoid of [illegible] issues since early December, and in the secondary market Eurolira [illegible] trading well above par.

Some syndicate [illegible] admitted that demand was slack, which they attributed [illegible] the holiday mood.

However, they hope investors will [illegible] lured by the high coupons available and the prospect [illegible] a cut in Italian interest rates.

In the other higher-yielding European sectors, Goldman [illegible] is expected [illegible] bring a substantial global bond issue, denominated in Finnish markka, for Finnish Export Credit. The initial tranche will be for between FM1.5bn and FM2bn, with the issue increasing [illegible] about [illegible] later in the year.

The bonds, which will have a maturity of between five and [illegible] years, [illegible] expected [illegible] offer [illegible] relatively high coupon, combined with [illegible] prospect of declining interest [illegible] and an improving economic background.

[illegible] issuance in Finnish markka in [illegible] amounted [illegible] $70m equivalent.

Record turnover for European exchanges

By Conner Middelmann

Turnover on futures and options exchanges across Europe reached record [illegible] last year, according to figures published yesterday.

The London International Financial Futures and Options Exchange traded 101,875,805 contracts, up [illegible] per cent [illegible] and passing the 100m mark for [illegible] first time. Average daily volume [illegible] a [illegible] 402,671 contracts.

Germany's futures and options exchange, the Deutsche Terminbörse [illegible] records, with 50.1m [illegible] – [illegible] increase over 1992. Average daily volume was 199,115 [illegible]ntracts.

DTB trading in options on the [illegible] index rose by [illegible] per cent [illegible] 21.4m [illegible]. [illegible] biggest [illegible] in volume [illegible] in Bobl-futures trading, which rose by [illegible] per cent to 4.5m contracts.

The French [illegible] options exchange, [illegible] Matif, saw [illegible] slightly [illegible] dramatic [illegible] in trading volume, up 30 per cent over the 1992. Turnover totalled 72,363,961 [illegible]tracts, bringing [illegible] daily [illegible] lots.

The total number of exchange-traded equity derivative [illegible] cleared [illegible] OLMX, [illegible] securities [illegible] exchange [illegible] OM Stockholm [illegible] 11,888,438, [illegible] on 1992.

CBoT to offer options on US Treasury futures

The [illegible] will tomorrow launch [illegible] over-the-counter [illegible], offering flexible options on [illegible] 30-year US Treasury [illegible] 10, five- and two-[illegible] Treasury note futures, writes Laurie [illegible] in Chicago.

The options allow [illegible] to [illegible] expiration date, European [illegible] US expiration styles, [illegible] price.

The CBoT [illegible] more than [illegible] options [illegible] on [illegible] Treasury [illegible] year. The new options, [illegible] a [illegible] value [illegible] maturity, [illegible] aimed [illegible] tional [illegible] seeking [illegible] low-[illegible] alternative [illegible]

CGIP follows trend with FFr994m issue

By [illegible] in Paris

CGIP, [illegible] holding company, [illegible] latest French [illegible] advantage of the buoyant Paris financial markets, by announcing [illegible] FFr994m convertible [illegible] issue.

The company, which last year took part in [illegible] high-profile [illegible] to raise its stake in CarnaudMetalBox, the Anglo-French packaging group, is giving existing investors first claim to the issue by offering [illegible] convertible [illegible] for every eight shares that they already own.

[illegible] new bonds will [illegible] priced [illegible] FFr1,350 each, against [illegible] market price of FFr1,218 for CGIP shares, which fell FFr32 yesterday.

CGIP's [illegible] interests include [illegible] stake in [illegible] Cap Gemini Sogeti computer services [illegible] been keen to raise new capital since the [illegible] deal, which depleted [illegible] cash [illegible] prompted it [illegible] a number of assets.

The CGIP issue follows [illegible] recent [illegible] of cash-raising exercises by French companies. Crédit Commercial [illegible] France, [illegible] banking group, [illegible] week announced [illegible] share issue of [illegible] FFr1.3bn [illegible] FFr1.5bn.

● Unedic, [illegible] French [illegible]ployment benefit fund, has [illegible] banks for proposals [illegible] how best to launch a bond worth [illegible] to FFr22bn, Reuter reports from Paris.

NEW INTERNATIONAL BOND ISSUES

Borrower	[illegible] m.	Coupon	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] runner
[illegible]							
Abbey Natl.Treasury [illegible]	1bn	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Goldman [illegible] Lehman
[illegible]	150	(3¾-3⅞)	[illegible]	[illegible]	[illegible]	-	[illegible] Lynch [illegible]
[illegible]							
[illegible]	1bn	(b)	[illegible]	[illegible]	[illegible]	[illegible] (5¾%-98)	[illegible]
Bayernhypo [illegible]	500	[illegible]	101.10	[illegible]	[illegible]	-	[illegible] Hypobank
YEN							
OKB‡	30bn	(c)	[illegible]	[illegible]	[illegible]	-	[illegible]
STERLING							
LB Schleswig [illegible]	100	[illegible]	[illegible]	[illegible]	[illegible]	+38 (6¾%-04)	[illegible] Europe
FRENCH FRANCS							
[illegible] de France(d)	3bn	5.75	99.20R	[illegible]	[illegible]	[illegible]	Banque [illegible] Paris
[illegible]							
[illegible]	200	[illegible]	[illegible]	[illegible]	1.00	-	[illegible]
ITALIAN LIRE							
General Electric [illegible] Corp.	250bn	7.875	101.40	[illegible]	[illegible]	-	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1.875	-	JP [illegible]
Bayerische Hypobank	200bn	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]
[illegible]							
CCDO(d)	100	6.25	[illegible]	[illegible]	[illegible]	[illegible] (5¾%-98)	[illegible]

Final terms and non-callable unless stated. The yield spread (over relevant government bond) at launch is supplied by the lead manager. §Convertible. ‡Floating rate note. R: fixed re-offer price; fees are shown at the re-offer level. a) Fixing: next week. Conv premium indicated 20-25%. Mandatorily convertible after 5 yrs subject to conditions including 140% rule. Redemption linked to baht. b) Priced today at 11-13bp over Bobl 108. c) Coupon: 6-mth Libor +0.7%. d) Short 1st coupon. e) Block trade. Fungible with outstanding Fl500m.

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Day's change	Yield	Week ago	Month ago
Australia		10.000	10/02	121.9200	[illegible]	[illegible]	6.60	[illegible]
Belgium		9.000	03/03	118.9600	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	12/03	108.0500	[illegible]	[illegible]	6.57	[illegible]
Denmark		[illegible]	[illegible]	112.9700	+0.120	6.13	[illegible]	[illegible]
France	BTAN	6.500	05/98	[illegible]	-	[illegible]	[illegible]	6.07
	OAT	6.750	10/03	[illegible]	[illegible]	5.70	5.66	6.07
Germany		6.000	09/03	102.7800	[illegible]	5.62	[illegible]	[illegible]
Italy		9.000	[illegible]	102.7400	[illegible]	[illegible]	8.47	[illegible]
Japan	No 119	4.800	06/99	111.7970	[illegible]	[illegible]	2.43	2.57
	No 157	4.500	06/03	110.5530	+0.120	[illegible]	[illegible]	3.26
Netherlands		6.500	04/03	108.2400	[illegible]	[illegible]	5.53	[illegible]
[illegible]		10.500	[illegible]	115.1500	[illegible]	[illegible]	8.14	[illegible]
[illegible] Gilts		[illegible]	01/98	114-02	-7/32	5.76	5.80	[illegible]
		[illegible]	06/03	112-04	-17/32	[illegible]	6.09	6.46
		9.000	[illegible]	123-05	[illegible]	[illegible]	[illegible]	6.76
[illegible] Treasury *		5.750	[illegible]	[illegible]	[illegible]	5.87	[illegible]	[illegible]
		6.250	08/23	96-03	-7/32	[illegible]	[illegible]	[illegible]
ECU [illegible] Govt)		8.000	04/03	[illegible]	[illegible]	[illegible]	5.92	[illegible]

London closing. *New York mid-day. Yields: Local market standard.
† Gross annual yield (including withholding tax at 12.5 per cent payable by nonresidents)
Prices: US, UK in 32nds, others in decimal. Source: MMS International

BOND FUTURES AND OPTIONS

France

■ NOTIONAL FRENCH BOND FUTURES (MATIF)

	Open	[illegible]	[illegible]	[illegible]	[illegible]	Est. vol.	Open int.
Mar	130.82	[illegible]	[illegible]	130.56	[illegible]	[illegible]	[illegible]
Jun	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	9,774
Sep	[illegible]	[illegible]	-0.04	129.10	[illegible]	18	2

■ LONG TERM FRENCH BOND OPTIONS (MATIF)

Strike Price	CALLS Feb	CALLS Mar	CALLS Jun	PUTS Feb	PUTS Mar	PUTS Jun
127	-	-	-	-	[illegible]	0.43
128	-	2.53	-	0.06	[illegible]	0.66
129	-	1.72	1.88	0.12	0.34	[illegible]
130	0.74	1.04	[illegible]	0.34	0.65	1.44
131	0.28	0.53	[illegible]	0.88	-	-
132	0.05	0.23	0.52	-	-	-

Est. vol. total, Calls 19,745 Puts 30,429. Previous day's open int., Calls 207,494 Puts 244,898.

Germany

■ NOTIONAL GERMAN BUND [illegible] (LIFFE)* DM250,000 100ths of 100%

	[illegible]	Sett price	Change	High	Low	Est. vol	Open [illegible]
Mar	[illegible]	100.84	[illegible]	101.11	100.76	[illegible]	[illegible]
Jun	101.01	100.79	-0.12	101.01	100.78	66	[illegible]

■ BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

Strike Price	CALLS Mar	CALLS Jun	PUTS [illegible]	PUTS Jun
10050	0.79	1.18	0.45	0.89
10100	0.53	0.92	0.69	1.13
10150	0.33	0.71	0.99	1.42

Est. vol. total, Calls 13533 Puts 15700. Previous day's open int., Calls 174829 Puts 100061

■ NOTIONAL MEDIUM TERM GERMAN GOVT. BOND (BOBL)(LIFFE)* [illegible] 100ths of 100%

	[illegible]	Sett price	[illegible]	High	[illegible]	Est. vol	Open int.
Mar	103.47	[illegible]	[illegible]	103.46	103.38	1649	11911

Italy

■ NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE)* Lira 200m 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
[illegible]	118.18	117.67	-0.32	118.25	117.44	37592	80326
[illegible]	118.20	117.77	-0.27	118.20	117.75	5	[illegible]

■ ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFE) Lira200m 100ths of 100%

Strike Price	CALLS Mar	CALLS [illegible]	PUTS Mar	PUTS Jun
11750	1.69	2.93	1.52	2.66
11800	1.42	2.69	1.75	[illegible]
11850	1.19	[illegible]	2.02	[illegible]

Est. vol. total, Calls 580 Puts 584. Previous day's open int., Calls 37158 Puts 38701

Spain

■ NOTIONAL [illegible] FUTURES (MEFF)

	Open	Sett price	Change	High	Low	[illegible] vol.	Open int.
[illegible]	105.10	104.70	-0.24	105.17	104.40	44,915	61,712
Jun	[illegible]	104.65	-0.37	[illegible]	[illegible]	164	7,978

UK

■ NOTIONAL UK GILT FUTURES (LIFFE)* £50,000 32nds of 100%

	[illegible]	Sett price	Change	High	Low	Est. vol	Open int.
Mar	119-17	118-24	[illegible]	119-18	118-22	[illegible]	102314
Jun	[illegible]	[illegible]	-0-16	[illegible]	[illegible]	[illegible]	[illegible]

■ LONG GILT FUTURES OPTIONS (LIFFE) £50,000 64ths of 100%

Strike Price	CALLS Mar	CALLS Jun	PUTS Mar	PUTS Jun
[illegible]	1-40	2-09	0-56	2-01
119	1-05	1-42	1-21	2-34
120	0-43	1-16	1-59	3-08

Est. vol. total, Calls 3876 Puts 5177. Previous day's open int., Calls 78961 Puts 40558

Ecu

■ ECU BOND FUTURES (MATIF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	121.66	121.52	-0.04	121.72	121.46	2,094	12,513
Jun	96.84	96.84	-0.26	96.84	96.84	50	-

US

■ US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Mar	114-14	114-05	[illegible]	114-20	114-02	327,711	290,063
Jun	113-11	113-02	-0-02	113-17	112-31	2,632	13,504
Sep	112-12	112-03	[illegible]	112-16	112-02	[illegible]	19,262

Japan

■ NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m 100ths of [illegible]

	Open	[illegible]	[illegible]	High	[illegible]	Est. vol	Open int.
Mar	117.20			[illegible]	117.20	907	[illegible]

* LIFFE contracts traded on APT. All Open interest figs. are for previous day.

FT-ACTUARIES FIXED INTEREST INDICES

Price Indices UK Gilts	Wed Jan 5	Day's change %	Tue Jan [illegible]	[illegible] interest	[illegible] adj. ytd
1 Up to 5 years (25)	129.76	-0.11	129.91	1.98	0.00
2 5-15 years (22)	162.43	-0.28	162.89	2.28	[illegible]
3 Over 15 [illegible] (8)	188.79	-0.39	189.52	2.05	0.00
4 [illegible] (6)	226.49	[illegible]	227.34	1.43	0.00
5 All [illegible] (61)	157.06	-0.25	157.45	2.16	0.05
Index-linked					
6 [illegible] to 5 years (2)	191.31	-0.05	191.41	1.30	[illegible]
7 Over 5 years (11)	192.49	-0.30	193.07	0.61	[illegible]
8 All stocks (13)	191.43	-0.28	191.96	0.65	0.00
Debentures and Loans					
9 [illegible] & Loans (65)	151.68	-0.22	152.01	2.29	0.11

	Low coupon yield Jan 5	Jan 4	Yr. ago	Medium coupon yield Jan 5	Jan 4	Yr. ago	High coupon yield Jan 5	Jan 4	Yr. ago
5 yrs	5.70	5.66	7.14	5.93	5.97	7.48	6.01	5.97	7.72
15 yrs	6.41	6.37	8.23	6.52	6.48	8.65	6.74	6.69	[illegible]
20 yrs	6.50	6.47	[illegible]	6.57	6.53	8.85	6.75	6.71	[illegible]
[illegible]†	6.62	6.59	[illegible]						

	Inflation [illegible] Jan 5	Jan 4	Yr. ago	Inflation 10% Jan 5	Jan [illegible]	Yr. ago
Up [illegible]	[illegible]	2.13	2.58	1.33	1.30	1.78
[illegible] yrs	2.92	2.90	3.82	2.75	2.72	[illegible]

	5 year [illegible] Jan 5	Jan 4	Yr. ago	15 year yield Jan 5	Jan 4	Yr. ago	25 year [illegible] Jan 5	Jan 4	Yr. ago
Debentures and Loans	7.25	7.28	8.88	7.56	7.54	9.78	7.68	7.66	[illegible]

Average gross redemption yields are shown above. Coupon Bands: Low: 0%-7¾%; Medium: 8%-10¾%; High: 11% and over. † Flat yield. ytd Year to date.

FT FIXED INTEREST INDICES

	Jan 5	Jan [illegible]	Dec 31	Dec 30	Dec 29	Yr ago	High*	Low*
Govt. [illegible] (UK)	106.57	106.91	107.60	107.58	107.56	94.16	107.60	93.28
Fixed interest	131.15	131.68	132.03	131.71	131.49	109.57	132.03	108.67

* for 1993/94. Government Securities high since compilation: 127.40 (9/1/35), low 49.18 (3/1/75). Fixed interest high since compilation: 132.03 (31/12/93), low 50.53 (3/1/75). Basis 100: Government Securities 15/[illegible] and Fixed Interest [illegible] SE activity [illegible] 1974

GILT EDGED ACTIVITY INDICES

	[illegible]	Dec 31	[illegible]	[illegible]	[illegible]
[illegible]	73.7	34.5	81.4	51.1	[illegible]
[illegible]	61.5	52.5	89.6	85.9	76.2

FT/ISMA INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at [illegible] pm on January 5

	Issued	Bid	Offer	Chg.	Yield
U.S. DOLLAR STRAIGHTS					
Abbey Natl Treasury 6½ 03	1000	100⅛	100⅜		6.47
AbbeyPrcnce 9⅜ 95	600	108¼	108⅝		4.50
Austria 8½ 00	[illegible]	113⅞	113⅝		5.81
United Kingdom 7¼ 97	5500	[illegible]	107	+⅛	6.09
Volkswagen Intl Fin 7 03	1000	103⅞	[illegible]	-⅛	[illegible]
World Bank 0 15	2000	28⅞	28⅝		5.90
Alliance Leics 11¾ 97 £	100	115½	116	-⅛	6.08
British Gas 12¼ 95 £	300	[illegible]	[illegible]	+⅛	[illegible]
British Land 12½ [illegible] £	150	141⅞	141⅞	-1⅛	[illegible]

[illegible]

UK GILTS PRICES

[illegible]

• "Tap" stock. ‡‡ Tax-free to non-residents on application. E Auction basis. xd Ex dividend. Closing mid-prices are shown in pounds.

Enterprise Oil raises £51m from Ninian disposal

By David Lascelles, Resources Editor

Enterprise Oil has sold its 18.5 [redacted] in the [redacted] oilfield, one of the North [redacted] largest, to Chevron UK, Murphy Petroleum and Oryx UK, three of the existing [redacted] partners in [redacted] field. The price was $75m (£50.6m).

Enterprise acquired the [redacted] in 1986 when [redacted] bought ICI's exploration and producing interests.

Mr Graham Hearne, Enterprise's chairman and chief executive, [redacted] the [redacted] formed part of the company's continuing programme [redacted] portfolio management. Proceeds would be redeployed [redacted] the business.

Enterprise [redacted] steadily unwinding [redacted] older North [redacted]. Last year it sold [redacted] in [redacted] mature Hutton and North [redacted] Hutton fields. As [redacted] result [redacted] these sales, it has relinquished [redacted] remaining [redacted] in the Sullum [redacted] terminal and the Brent and Ninian pipeline systems which feed it. Its strategy [redacted] to [redacted] the proceeds of [redacted] fund acquisitions which will enhance the quality [redacted] its oil portfolio.

■ Clyde Petroleum announced yesterday that it had sold its 1 per cent [redacted] in the Forties field to BP for [redacted] £5m.

■ Hamilton Oil has been given approval by the Department [redacted] Energy to develop the Lennox oil and [redacted] in block 110/15 in Liverpool Bay. Monument Oil and [redacted] a [redacted] interest in the block, which will be reduced to 20 per [redacted] following completion of the sale of [redacted] 3.9 per cent [redacted] PowerGen.

Sidney C Banks shares respond to profits leap

[redacted] of Sidney C Banks, [redacted] Bedfordshire-based grain and agricultural specialist, yesterday rose 28p to 248p [redacted] news of [redacted] improvement [redacted] pre-tax profits [redacted] for the half year [redacted] October 31.

The advance, from last time's £1.53m, [redacted] the full benefit [redacted] marketing stocks and grains held over at [redacted] previous financial year.

Turnover slipped [redacted] £114.3m (£119.2m) [redacted] volumes [redacted] harvest and lower grain prices.

The interim dividend [redacted] lifted from [redacted] 3.5p [redacted] earnings [redacted] 15.6p (12.4p) per share.

Mr John Burr, [redacted] yesterday stepped [redacted] chairman, [redacted] all [redacted] operating profitably while market share had [redacted] margins maintained.

He [redacted] chairman by Mr [redacted] Mitchell-Innes, former [redacted] of [redacted] and deputy chairman [redacted] HP Bulmer.

For [redacted] 1992-93 year [redacted] the [redacted] gration of acquisitions [redacted] reduced interest charges [redacted] in pre-tax profits from [redacted].

Hillsdown sells its remaining abattoir

By Maggie Urry

Hillsdown Holdings has completed its exit from the red meat slaughtering industry with the [redacted] of its last abattoir, in Ipswich.

Over the last [redacted] it has sold 25 abattoirs – 11 in 1992 and 14 in 1993 – which had become lossmaking [redacted] severe over-capacity in the industry.

Hillsdown made a provision [redacted] losses on the disposal programme which appeared [redacted] part of a [redacted] extraordinary charge in [redacted].

Analysts believe the provision relating [redacted] abattoirs totalled about £30m and Hillsdown is expected [redacted] utilise the whole [redacted] this covering [redacted] trading and on the [redacted] of the abattoirs.

However, the abattoir [redacted] should have released significant working capital. The [redacted] was completed on December 31, [redacted] day [redacted] Hillsdown's financial [redacted].

Hillsdown's [redacted] were largely acquired when it bought FMC in [redacted]. It [redacted] invested [redacted] bring [redacted] up [redacted] new EU standards, originally due [redacted] on January 1 [redacted], but later [redacted] until 1996.

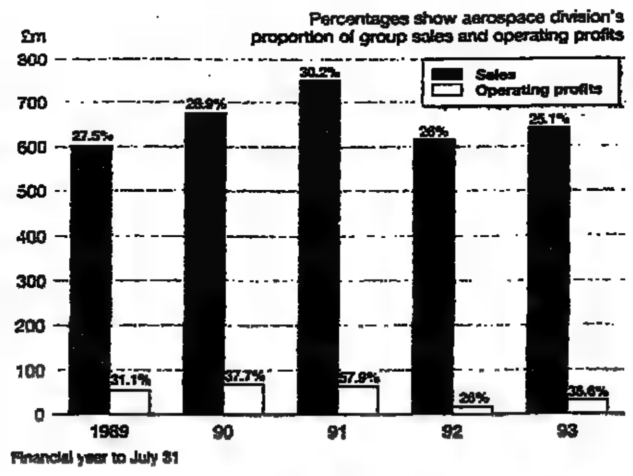
This delay [redacted] over-capacity in [redacted] industry partly [redacted] by [redacted] EU export subsidies which reduced the throughput [redacted] abattoirs.

Hillsdown [redacted] announced [redacted] of [redacted] per [redacted] in Schils, a Dutch group of companies which make milk [redacted] to [redacted] calves. The buyer [redacted] the Schils management which is also [redacted] minority partner.

Extending the shake-up to the US

Paul Betts reports on the restructuring taking place at Lucas Aerospace

Lucas Aerospace



Frank Turner: taking the axe [redacted] unprofitable [redacted]

F[redacted] Silicon Valley [redacted] Los Angeles, from Salt Lake City to [redacted] in the bitterly [redacted] plains of North Dakota, Lucas [redacted] launched a sweeping restructuring of its disparate North American [redacted] acquired during the industry's heady [redacted] days [redacted] the late 1980s.

[redacted] aircraft maintenance facility in Santa Barbara, California, acquired [redacted] years [redacted] has just been closed with [redacted] nearly 400 jobs. A Los Angeles-based aircraft engine [redacted] business, bought in 1987, [redacted] being [redacted] to a new facility near Salt Lake City, Utah, to [redacted]. This activity employed 1,200 people [redacted] its peak in 1986: the [redacted] plant will employ only 200.

An essentially [redacted] orientated subsidiary, Lucas [redacted] at San [redacted] in [redacted] heart of California's Silicon Valley, is diversifying [redacted] into [redacted] civil market. When Lucas bought it in [redacted] 90 per [redacted] (£13.5m) a [redacted] turnover [redacted] communications [redacted] defence [redacted]. The civil [redacted] already [redacted] for [redacted] per [redacted] annual turnover.

Like the [redacted] of [redacted] UK [redacted] continental European operations, [redacted] US [redacted] not escaped [redacted] restructuring which the company has undergone [redacted] Mr Frank Turner took charge [redacted] Lucas Aerospace [redacted] months [redacted].

Simply put, Mr Turner's strategy [redacted] been [redacted] Lucas Aerospace from [redacted] components supplier [redacted] aerospace industry [redacted] systems integrator.

"In [redacted] long term we cannot hope [redacted] compete [redacted] supplier against low-cost producers in the Far East. Instead, we [redacted] turn the company into the global leader in [redacted] provision [redacted] support [redacted] high integrity control systems for our [redacted] markets," explained Mr Turner, the former head [redacted] civil engines at Rolls-Royce, the UK aero-engine and industrial power group.

The [redacted] flight and engine control systems. The [redacted] of all [redacted] group's other activities, including the [redacted] business, will depend [redacted] their performance.

"These niche [redacted] stay in our portfolio as long as they are profitable and [redacted] generating [redacted] support financially our [redacted] core activities," [redacted] Mr Turner. He [redacted] examples the profitable cargo handling operations in Jamestown [redacted] themselves [redacted] strong [redacted] a supplier [redacted] systems [redacted] Boeing as well [redacted] profitable electrosystems subsidiary [redacted] Brae, outside [redacted] Angeles.

[redacted] also [redacted] any business [redacted] capable [redacted] ating adequate [redacted] or profits will either [redacted] merged with [redacted] or [redacted] down. Apart from [redacted] Santa Barbara aircraft maintenance facility, the aircraft windows business in Luton has [redacted] sold [redacted] management. "Our switch [redacted] ignition [redacted] not core and [redacted] expect we will [redacted] that [redacted] stage," he [redacted].

At the [redacted] time, Mr Turner [redacted] looking for acquisitions [redacted] strengthen [redacted] company's [redacted] penetration in [redacted] activities in engine and [redacted] control systems. Lucas's engine systems, for example, have been [redacted] by [redacted] acquisition in September of Dowty's fuel control [redacted] in Cheltenham.

These acquisitions and divestments [redacted] all part of what Mr Turner [redacted] "the continuing big [redacted] up in [redacted] aerospace industry where there [redacted] still far [redacted] much capacity".

Another good example of taking [redacted] capacity [redacted] when [redacted] aerospace industry continued to [redacted] depressed by lower [redacted] and defence sales was an agreement [redacted] will [redacted] supplying all the engine gearboxes for Pratt [redacted] Whitney, [redacted] large US aero-engine maker, [redacted] Turner added.

Instead [redacted] making its own gearboxes, [redacted] will be buying the equipment from Lucas's new Utah facility.

[redacted] cutting has [redacted] high in [redacted] Turner's efforts to reshape [redacted] Aerospace, which [redacted] of £643m [redacted] the financial [redacted] July 1993 [redacted] about 25 [redacted] cent of Lucas's overall [redacted] turnover. "By [redacted] end [redacted] we [redacted] about [redacted] per cent [redacted] our workforce in a period of [redacted] than [redacted] years," [redacted] said. This [redacted] cut [redacted] division's [redacted] strong workforce [redacted] 7,500.

Every [redacted] the UK, France and [redacted] has [redacted] by the cost-cutting drive, which [redacted] also [redacted] sharply [redacted] by [redacted] company's [redacted] weight management [redacted]. Headquarters [redacted] has [redacted] cut from 150 to 29 people, Mr Turner [redacted].

Mr Turner's strategy [redacted] paid dividends. [redacted] Aerospace [redacted] pre-tax profits [redacted] £31m in [redacted] July 1993, from £15.4m in [redacted]. The [redacted] despite [redacted] fall [redacted] the volume of aerospace sales, reflecting [redacted] sharp improvement in productivity and [redacted] Mr [redacted] has now [redacted] a target of [redacted] 50 per [redacted] improvement in [redacted] group's operations [redacted] next [redacted].

The [redacted] operations, however, [redacted] continued [redacted] money. But Mr Turner expects [redacted] investments [redacted] showing [redacted] positive contribution this year, especially after the [redacted] of [redacted] lossmaking aircraft maintenance operation in Santa [redacted].

"The US acquisition policy [redacted] given [redacted] a presence in the US market and access to [redacted] US customers," said [redacted] Turner. "It has provided us with a foundation to [redacted] it will require [redacted] tion, including the divestment of some [redacted] as well [redacted] acquisitions," he [redacted].

Lucas's US aerospace acquisition spree in [redacted] 1980s was largely aimed [redacted] reducing the company's dependence on the automotive business as well [redacted] the [redacted] division's dependence on Rolls-Royce. "They nearly went down with Rolls-Royce [redacted] Rolls [redacted] bankrupt in 1971," [redacted] City [redacted] analyst.

[redacted] that [redacted] as much as 75 per cent of the company's aerospace [redacted] directly related with Rolls-Royce. The UK aero-engine manufacturer [redacted] still [redacted] Aerospace's biggest customer but it [redacted] only between [redacted] 25 [redacted] of [redacted] sales, although Lucas recently reinforced its [redacted] with Rolls-Royce. It [redacted] per cent risk-sharing [redacted] in Rolls-Royce's Trent [redacted] develop a family [redacted] heavy thrust commercial jet [redacted] power [redacted] new generation of large [redacted] body airliners.

[redacted] Turner [redacted] has his [redacted] on expanding his group's presence [redacted] fast-growing Asia Pacific [redacted]. [redacted] present, [redacted] UK, the US [redacted] continental Europe [redacted] account [redacted] about [redacted] third [redacted] company's annual turnover. Mr Turner wants to [redacted] the group's geographical [redacted] bution expanded with [redacted] US, the UK, continental Europe [redacted] each accounting [redacted] about 25 per [redacted].

As restructuring continues [redacted] gather [redacted] in [redacted] components industry, Mr Turner expects [redacted] to become increasingly [redacted] nated by fewer, broader-based suppliers capable of participating as [redacted] and revenue [redacted] partners in future engine and [redacted]. "We are positioning Lucas to be one [redacted] players," he [redacted].

Ultimately, however, the reshaping [redacted] Lucas [redacted] likely to involve [redacted] strategic collaboration [redacted] possibly [redacted] with another [redacted] international components and systems supplier with activities in [redacted] the [redacted] and [redacted].

Any [redacted], however, [redacted] have to [redacted] the arrival of Mr George Simpson, who is [redacted] ing [redacted] Aerospace and [redacted] to take [redacted] at [redacted] chief executive in the spring.

COMPANY NEWS: UK

Restructure measures accelerated in face of weak computer markets

ICL moves to protect profits

By Alan Cane

ICL, the UK-based computer company in which Fujitsu of Japan has a majority stake, is accelerating measures to protect its profitability in the face of persistently weak computer markets.

Yesterday it announced that it intended to establish [illegible] UK manufacturing and supply business as a contract electronics business. The autonomous, wholly owned subsidiary will trade as Design to Distribution (D2D) with operations in Kidsgrove, Ashton-under-Lyne, and Stevenage.

It also said it had sold [illegible] half interest in International Network [illegible] to General Electric [illegible] Services in a move designed to cut away [illegible] activities.

The aim in creating D2D, ICL said yesterday, was to improve the new company's attractiveness as an electronics contract manufacturer by distancing it from the parent company, for which it manufactures computers and circuit boards worth some $300m (£203m) [illegible] year.

ICL already [illegible] equipment for Sun Microsystems of the US and Meiko, [illegible] supercomputer manufacturer with offices in the UK and the [illegible]. It also makes equipment for a number of unnamed [illegible] computer companies.

Mr Alastair Kelly, D2D's managing director, [illegible] aim [illegible] to build the [illegible] into Europe's leading [illegible] "By 1996 [illegible] will be targeting $300m of non-ICL revenue, much [illegible] which will be with US [illegible] tions looking [illegible] European manufacturing".

It is part of chairman and chief executive Mr Peter Bonfield's plan to restructure ICL [illegible] some 26 semi-autonomous business units.

The value of [illegible] INS [illegible] was not [illegible] but [illegible] believed to be [illegible]

[illegible] a [illegible] provider in the UK of electronic data interchange [illegible] as electronic ordering and invoicing. In 1992 [illegible] made £2.9m [illegible] on [illegible] £17m.

Mr John Thorpe, newly appointed managing director, said that INS [illegible] had [illegible] similar business focus, while [illegible] business was peripheral [illegible] ICL's core [illegible]. With GEIS backing, it would expand [illegible] Europe, market [illegible] software internationally [illegible] provide tough competition for BT, AT&T and IBM.

[illegible] Bonfield: plans 26 [illegible]

Kwik Save sells non-core side for £9.5m

By Neil Buckley

Kwik Save, the discount [illegible] retailer, is selling [illegible] convenience store subsidiary for £9.5m to AF Blakemore, the family-owned wholesaler which is a main supplier to the Spar group.

The sale enables Kwik Save to dispose of a non-core business, and is a significant boost for Blakemore's ambitions in the convenience store market.

Blakemore is paying [illegible] the [illegible] plus [illegible] to settle inter-company [illegible] Tates.

Kwik [illegible] acquired Tates, [illegible] operates 71 Lateshopper [illegible] in Humberside, Yorkshire, [illegible] and the [illegible] Midlands, [illegible] Foods in [illegible]

Mr Derek Pretty, [illegible] director, [illegible] it was [illegible] to sell the business after a strategic review last year.

"[illegible] to [illegible] we [illegible] to [illegible] major [illegible] the [illegible] market. If [illegible] did, [illegible] we [illegible] invest more."

Before the sale, Kwik [illegible] bought [illegible] of [illegible] Tates stores for [illegible] granted Tates 25-year [illegible] on the properties.

[illegible] income from the properties will [illegible] £700,000 [illegible]

Mr Pretty [illegible] effect of the disposal on Kwik [illegible] would be minimal.

[illegible] pre-tax profits in [illegible] last financial [illegible] on [illegible]

Blakemore, [illegible] in [illegible] Midlands, operates eight cash-and-carry outlets, [illegible] 640 Spar [illegible] across central England and [illegible]

These so-called "symbol" groups comprise independent [illegible] trade [illegible] same fascia and buy from the same source [illegible] reap the benefits of centralised [illegible] distribution, advertising [illegible] marketing.

[illegible] also owns and operates 36 Spar stores.

Crabtree Group turns in £1.07m for nine months

By Chris Tighe

[illegible] Group, the Tyne-[illegible] manufacturer and supplier [illegible] metal decorating [illegible] yesterday reported pre-tax profits [illegible] £1.07m [illegible] for [illegible] nine months to September [illegible]

[illegible] to the [illegible] June via [illegible] takeover of Somerset, a shell quoted investment trust. The figures [illegible] nine months [illegible] solely [illegible] acquisition.

Earnings per [illegible] at 10.7p [illegible] a [illegible] dividend [illegible] 2p [illegible] proposed.

[illegible] the [illegible] takeover, Mr [illegible] Watkin, Crabtree's chairman, [illegible] Mr [illegible] Cooper, managing director, [illegible] that in [illegible] end-September 1993 [illegible] would [illegible] a pre-tax profit [illegible] £3m and pledged to [illegible] takeover consideration for every [illegible] any shortfall.

For the full 12 months [illegible] the period-end Crabtree achieved operating profits of £3.01m on turnover [illegible]

Yesterday Mr Watkin said the [illegible] pre-tax profit [illegible] had been achieved. "We're delighted to deliver to the City what [illegible] promised in June," he said.

It [illegible] £3.01m, [illegible] ing of [illegible] in pre-tax profit, plus [illegible] adjustments specified in the reverse [illegible]

[illegible] 13p to [illegible] yesterday. When the company came to the market in June [illegible] priced [illegible] 150p.

Crabtree [illegible] Gateshead [illegible] acquired by Mr [illegible] Mr Cooper in [illegible] management buy-out from Vickers in 1986. It claims to [illegible] the world's [illegible] decorating [illegible] and exports [illegible] per cent [illegible] its turnover worldwide.

The [illegible] for [illegible] months to September [illegible] a record performance, with turnover [illegible] cent [illegible] on the preceding year's £18.8m, and profit up by 46 per cent, from £2.06m.

Mr Watkin [illegible] future order [illegible] "exceptionally strong".

Crabtree, [illegible] said, was well ahead [illegible] the competition, including the Germans and Japanese, [illegible] quality of [illegible] engineering [illegible] well [illegible] keting, and [illegible] investing [illegible] maintain that [illegible]

At the [illegible] flotation, Mr Watkin [illegible] Crabtree [illegible] looking [illegible] a substantial acquisition. Yesterday he [illegible] this had [illegible] happen because [illegible] market was [illegible] present "very frothy".

Credit Lyonnais Laing, Crabtree's broker, yesterday fore-[illegible] pre-tax profits for the company in the year to September 30 1994, of [illegible] on turnover of £25m. They [illegible] forecast earnings per [illegible] of 18.7p [illegible] a dividend [illegible] 6p.

Capital changes for Beckenham

By Nigel Clark

Losses [illegible] Civil Aviation Authority [illegible] Group, [illegible] heating and ventilation engineer, [illegible] capital [illegible] including [illegible] placing [illegible] rights [illegible]

The losses [illegible] in [illegible] of most [illegible] ing facilities [illegible] September, [illegible] rely [illegible] from shareholders.

[illegible] pre-tax [illegible] (£5.05m) for the year to the end of October [illegible] turnover of [illegible] (£34.1m), including [illegible] from acquisitions. [illegible] 4.4p (11.3p).

The changes will [illegible] in a concert party led by Mr [illegible] Lu Siong, [illegible] Malaysian businessman, raising its holding to [illegible] total of 39.8 per cent. The Takeover Panel [illegible] waived the requirement to make [illegible] full bid.

Mr Peter Long, chairman, said that [illegible] a "nightmare three [illegible]" [illegible] hopeful [illegible] 1994, although margins would [illegible] tight.

The company [illegible] raising [illegible] through [illegible] placing [illegible] shares [illegible] 25p. A further £1.09m net is being raised by [illegible] rights issue of up [illegible] 1-for-30 ordinary 5p [illegible] preference [illegible]

The [illegible] proceeds will eliminate [illegible] of [illegible] and increase working capital by [illegible]

In addition, 50 [illegible] existing 5p ordinary will [illegible] consolidated [illegible] then divided into three [illegible] ordinary and [illegible] deferred shares.

Every 15 of the preference [illegible] will [illegible] consolidated in one £15 share and then [illegible] into [illegible] ordinary and [illegible] deferred.

It is proposed [illegible] the deficit [illegible] the profit and [illegible] account by cancelling the deferred [illegible] and reducing the [illegible] premium [illegible]

Richmond chiefs quit to save cash

By Andrew Bolger

Non-executive [illegible] of Richmond Oil [illegible] Gas believe the struggling natural resources company has [illegible] viable future, in spite [illegible] resignations [illegible] both its chairman and managing director.

Richmond announced the departure of [illegible] Fox, [illegible] chairman and chief [illegible] tive, along with Mr Michael Hogue, managing director, at [illegible] same time as [illegible] pre-tax [illegible] for [illegible] year [illegible] March [illegible] £3.19m, against £44.1m, which [illegible] struck after provisions [illegible] per share came [illegible] 3.5p (48p).

Richmond said the results reflected the loss of its [illegible] asset, the Richmond Ranch Properties, to [illegible] in 1992. This meant the group lost all of its oil and gas production, reducing turnover [illegible] £11.4m to £1.64m.

Mr Fox said [illegible] Mr Hogue had stepped down [illegible] reduce [illegible] at the group, which [illegible] The board said that in spite of efforts to reduce costs, [illegible] external regulatory and other legal services required [illegible] relatively expensive.

The board is reviewing its plans, including [illegible] oil and [illegible] acquisitions, and said it would inform [illegible] its intentions [illegible] soon [illegible] possible.

The plans are subject [illegible] the disposal [illegible] San Juan Basin coalbed methane properties in the US being completed, for which Richmond hopes [illegible] about [illegible]

Shares in Richmond [illegible] suspended [illegible] 4½p in October, having come [illegible] the market at 105p in 1989.

Share dealings and transactions relating to the period [illegible] the time [illegible] the flotation [illegible] under investigation by the Serious Fraud [illegible]

EFM launches trust for Asian markets

By Bethan Hutton

Edinburgh Fund Managers is to launch an investment trust specialising in smaller companies in emerging Asian markets, to be known as the Edinburgh New Tiger Trust.

It hopes to raise £50m through a placing and offer for subscription of ordinary shares of 5p issued at 56p, with one warrant attached to every five shares.

The offer period is expected to be January 29 to February 18, with first dealings on February 24.

The new fund's managers will concentrate on the emerging markets of south and south-east Asia, including India, Pakistan and Sri Lanka as well as the more usual Malaysia, Thailand, Indonesia, South Korea, China and the Philippines.

Companies in the more [illegible] of Hong [illegible] and [illegible] will [illegible] if they [illegible] sure [illegible] economies.

The fund will invest in smaller companies [illegible] market [illegible] than $500m [illegible] with [illegible] aim [illegible] achieving long-term capital growth.

Edinburgh Fund Managers said it believed smaller companies should outperform their larger counterparts [illegible] their operational flexibility should allow them to exploit opportunities more [illegible] ily.

The same investment team already manages the EFM Dragon fund, an investment trust covering east [illegible] excluding Japan.

Norwich and Scottish Life maintain trends

Norwich Union, [illegible] mutual insurance group, yesterday [illegible] unchanged [illegible] on [illegible] with-profits [illegible] policies, while [illegible] Life, [illegible] mutual life assurance [illegible] cut [illegible] slightly, writes [illegible] Hutton.

[illegible] for [illegible] continue the [illegible] of slightly higher pay-outs for 25-year maturities, [illegible] lower pay-outs [illegible] 10 years.

Norwich Union will pay £58,694 for [illegible] standard 25-year endowment policy maturing on January 1 1994, up [illegible] year's £58,237, giving [illegible] yield [illegible] 12.9 per cent (12.8 [illegible] cent).

Figures are based on the standard industry assumptions [illegible] policy [illegible] by [illegible] man [illegible] 29, paying [illegible] month.

A 10-year policy, using the same assumptions, would [illegible] £6,674, [illegible] from [illegible] year's pay-out of [illegible] would give [illegible] reduced yield of 11.9 [illegible] (12.7 per cent).

[illegible] will [illegible] £6,105 for a 10-year policy, [illegible] 2 [illegible] cent, representing [illegible] of [illegible] cent. A 25-year policy would [illegible] year, up 2 per cent, [illegible] return of 13.3 per cent.

Pay-outs on 10-year endow-[illegible] still falling because of poor investment performance in [illegible] and in compensation for excessively [illegible] bonuses in 1990, [illegible] 25-year policies benefit from [illegible] higher average investment [illegible] the 1980s.

Norwich describes [illegible] current bonus rates [illegible] "realistic", [illegible] projects [illegible] rates over [illegible] next [illegible] inflation.

LEGAL NOTICES

Notice of appointment [illegible] Liquidator
[illegible] winding up
(Members or Creditors)
Pursuant to section 109 of The Insolvency Act 1986.

[illegible] 055563. Name of Company: [illegible]Y INVESTMENTS LIMITED. Nature of business: Dormant. Type of liquidation: Members. Address of registered office: St. Andrew's House, 20 St Andrew Street, [illegible] 3AY. Liquidator's [illegible] and address: Malcolm J London, Coopers [illegible] Lybrand, St Andrew's House, 20 St Andrew Street, London EC4A 3AY. Office holder number: 2082. Date of appointment: 20 December 1993. By whom appointed: Members.
Signed M J London FCA (Liquidator)
20 December 1993

Notice of appointment of Liquidator
Voluntary winding up
(Members or Creditors)
Pursuant to section 109 of The Insolvency Act 1986.

Company No: 1365155. Name of Company: BROWN SHIPLEY FACTORS [illegible] Type of liquidation. Members. Address of registered office: St. Andrew's House, 20 St Andrew Street, London EC4A 3AY. Liquidator's name [illegible] address: Malcolm [illegible] London, Coopers [illegible] Ly[illegible] St Andrew's House, 20 St Andrew Street, London EC4A 3AY. Office holder number: 2082. Date of appointment: 20 December 1993. By [illegible] appointed: Members.
Signed M J London FCA (Liquidator)
20 December 1993

Notice of [illegible] of Liquidator
Voluntary [illegible]
(Members or [illegible])
Pursuant to section 109 of The Insolvency Act 1986.

Company No: [illegible] Name of Company: FOUNDERS COURT INVESTMENTS LIMITED. Previous names of company: H [illegible] Foote [illegible] Co Limited (changed 4 November 1969), Kings Yard Securities [illegible] (changed 29 November 1984). Type of liquidation: Members. Address of registered office: St. Andrew's House, 20 St Andrew Street, London EC4A [illegible]. Liquidator's name [illegible] address: Malcolm J London, Coopers & Lybrand, St Andrew's House, 20 St Andrew Street, London EC4A 3AY. Office holder number: 2082. Date of appointment: 20 December 1993. By whom appointed: Members.
Signed M J London FCA (Liquidator)
20 December 1993

In the High Court of Justice Chancery Division — No. [illegible] of 1993

IN THE MATTER OF MARCH ESTATES PLC
and
IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE [illegible] HEREBY [illegible] that a [illegible] was on the 29th November 1993 presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the capital of the above named Company from £23,300,300 to £20,300,012.50.
AND NOTICE [illegible] FURTHER GIVEN [illegible] said Petition is directed to be heard before Mr Registrar Buckley at the Royal Courts of Justice, The Strand, London WC2A 2LL on Wednesday the 19th day of January 1994.
Any Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the said reduction of capital should appear at the time of the hearing in person or by Counsel for that purpose.
A copy of the said Petition will be furnished to any [illegible] requiring the [illegible] by the under mentioned solicitors [illegible] payment of the regulated charge for the same.
DATED the 6th day of January 1994
Messrs Lawrence Graham
190 Strand, London WC2R 1JN
Our Ref: HS/M2632-3zz
Solicitors for the above named Company

Notice of appointment of Liquidator
Voluntary winding up
(Members or Creditors)
Pursuant to section [illegible] of The Insolvency Act 1986.

Company No: 2190712. Name of Company: BS TWELVE LIMITED. Type of liquidation: Members. Address of registered office: St. Andrew's House, 20 St Andrew Street, London EC4A 3AY. Liquidator's [illegible] and [illegible] Malcolm J London, Coopers & Lybrand, [illegible] Andrew's House, 20 St Andrew [illegible], London EC4A 3AY. Office holder [illegible] 2082. Date [illegible] appointment: 20 December 1993. [illegible] appointed: Members.
Signed M J London FCA (Liquidator)
20 December 1993

Notice of appointment of Liquidator
Voluntary winding up
(Members or Creditors)
[illegible] 109 of The Insolvency Act 1986.

Company No: 826220. Name of Company: BLOOMSBURY SECURITIES LIMITED. Type of liquidation: Members. Address of registered office: St. Andrew's House, 20 St Andrew Street, London EC4A 3AY. Liquidator's [illegible] and address: Malcolm J [illegible] Coopers & Lybrand, St Andrew's House, 20 St Andrew [illegible] EC4A 3AY. Office holder number: [illegible]. Date of appointment: [illegible] whom appointed: Members.
Signed M J London FCA (Liquidator)
20 December 1993

NOTICE TO CREDITORS TO SUBMIT CLAIMS
IN THE MATTER OF
Brown Shipley Factors Ltd
Founders Court Investment Ltd
BS Twelve Ltd
Bloomsbury Securities Ltd
Bloomsbury Investments Ltd
(All in Members Voluntary Liquidation)
and
IN THE MATTER OF THE INSOLVENCY ACT 1986

NOTICE IS HEREBY GIVEN that the Creditors of each of the above-named Companies which are being voluntarily wound [illegible] are required, on or before the [illegible] day of February [illegible] to [illegible] full forenames [illegible] surname, their addresses and descriptions, full particulars of their [illegible] or [illegible] and the names and addresses of their Solicitors (if any), to the undersigned.

MALCOLM J LONDON
COOPERS & LYBRAND
ST ANDREW'S HOUSE
20 ST ANDREW STREET
[illegible]

[illegible] Liquidator [illegible] the said Companies, and, if so required by notice in writing [illegible] Liquidator, are, personally or by their [illegible] to [illegible] prove their debts or [illegible] at such time and place [illegible] shall be specified in [illegible] notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 20th day of December 1993
Signature of Liquidator [illegible] (F.C.A.)
NB - This notice is purely [illegible] All known creditors [illegible] been or will be paid in full in respect of each of the above companies.

Notice of appointment of Joint Liquidator
Name of company Fixtype Limited
Nature of business Property Development
Address of registered office Kings House, 36/37 King Street, London EC2V 8BH
Joint Liquidators names and address
S J L Adamson and G H Hughes
Ernst [illegible] Young, Becket House, 1 Lambeth Palace Road, London SE1 7EU
Date of appointment 20 December 1993
By whom appointed Members and Creditors

[illegible] TO [illegible]
Fixtype Limited
(In Liquidation)
The creditors of the above-named company are requested, on or before 1 February 1993 to send their names, addresses and particulars of their claims to the undersigned, the Joint liquidators of the company, at Ernst & Young, Becket House, 1 Lambeth Palace Road, London SE1 7EU.
Date 20 [illegible] 1993
G H Hughes
Joint Liquidator

K [illegible]
Registered number: 2394900
Trade classification: 11
Date of appointment: 20 December 1993
By whom appointed: Lloyds Bank plc
Date of charge: 27 January 1992
Nature of charge: Fixed and Floating Charge
VIVIAN MURRAY BAIRSTOW and NIGEL DOUGLAS BACON (office holder nos. 5316 and 7906) of [illegible] Stradling, 188 City Road, London EC1V [illegible]
Joint Administrative Receivers

Riva shares tumble 7p on profits warning

Riva Group yesterday [illegible] fall 7p [illegible] 18p [illegible] USM-traded supplier of electronic point of sale systems warned [illegible] a substantial loss [illegible] 1993.

[illegible] company [illegible] that [illegible] number of [illegible] subsid-[illegible] had suffered disappointing trading results. Consequently, a number of write-downs might be [illegible] sary in some European operations.

UK operations had maintained profitability.

Riva said [illegible] had repaid more than £1m of [illegible] UK bank debt [illegible] had renegotiated [illegible] with [illegible] principal lenders on a continuing [illegible]

[illegible] Peter [illegible] appointed [illegible] chairman and Mr [illegible] will remain on [illegible] board [illegible] director.

In [illegible] returned pre-tax profits [illegible] but for [illegible] half [illegible] June 30 there was a swing from pre-tax profits [illegible] £314,000 [illegible]

FT-SE Actuaries Share Indices

Insurance [illegible] are now classified in Sub-sector [illegible] In [illegible] published yesterday in [illegible] FT [illegible] additional listing [illegible] Insurance [illegible] as Sub-[illegible] was [illegible]

Babcock wins £39m order

[illegible] Africa, the South African subsidiary [illegible] Babcock International, has announced a package [illegible] boiler refurbishment, [illegible] handling and [illegible] plant [illegible] worth [illegible] total [illegible]

The biggest single contract is [illegible] the redesign [illegible] replacement of [illegible] parts [illegible] six boiler units [illegible] power sta-[illegible]

[illegible] the original supplier [illegible] the boilers in [illegible] early 1970s, and [illegible] work [illegible] the initial [illegible] gramme [illegible] the [illegible] station's life by [illegible]

The subsidiary has [illegible] won two other Transvaal [illegible] - overland conveyors and a [illegible] the [illegible] aluminium smelter project, and [illegible] circular stockpile [illegible] for Randcoal's Duvha colliery.

In conjunction with Hyundai of Korea, it will supply [illegible] an [illegible] synthol [illegible] for Sasol, [illegible] South African fuel and chemicals [illegible] at Secunda in Orange Free [illegible]

DIVIDENDS ANNOUNCE[illegible]

	[illegible] payment	Date of payment	[illegible]-ponding [illegible]	Total for [illegible]	Total [illegible] year
[illegible] (Sidney C) ....int	[illegible]	Mar [illegible]	[illegible]	-	[illegible]
Crabtree ....fin	[illegible]	[illegible] 14	-	2☆	-

Dividends shown pence per share net. ☆ For nine months.

Congress 'still needs convincing' on Gatt

By Deborah Hargreaves

[redacted] Mike Espy, US agriculture secretary, [redacted] doubt on the acceptance by the US Congress of the recent General Agreement on [redacted] and [redacted] settlement yesterday when he [redacted] would [redacted] be "automatic".

"I don't think [redacted] add or subtract anything to [redacted] agreement, but we need [redacted] explain it [redacted] congress," he told an audience of British farmers at the Oxford Farming Conference.

While the [redacted] presented a [redacted] opportunity for [redacted] farmers [redacted] expand their markets [redacted] congress [redacted] be convinced [redacted] the [redacted] Mr Espy explained. He said, however, that last minute changes to [redacted] Blair House accord, which allow the US to [redacted] an additional 7.4m [redacted] of wheat [redacted] in the six [redacted] from 1995, would help to win congressional support [redacted] the deal.

Modifications [redacted] the Blair House agreement will [redacted] the US Export Enhancement Pro[redacted] budget [redacted] by [redacted] in 1995 from the planned level of [redacted] $1bn.

"The US will continue to compete [redacted] with other large exporters which [redacted] doing [redacted] same thing," [redacted] Espy [redacted] "I hope the Gatt [redacted] will [redacted] passed through congress, but until it [redacted] we [redacted] maintain our levels of competitiveness whether through export *enhancement* [redacted] other measures."

However, Mr Espy said he saw [redacted] handwriting on the [redacted] for export subsidies: "We will join hands with others to [redacted] down the slippery slope of subsidy reduction together," [redacted] the conference.

Mr Espy was [redacted] with [redacted] fairly frosty reception from some UK farmers, who [redacted] their livelihoods threatened by falling support prices.

"The Gatt [redacted] is a major threat to European farmers and you couldn't care [redacted] fig [redacted] us," one producer commented. "*Farmers here are* frightened of [redacted] without subsidies after the privileged world we've lived in," said another.

Conference organisers admitted that [redacted] Espy's bodyguards [redacted] for [redacted] safety [redacted] agriculturalists.

[redacted] producers are [redacted] suspicious [redacted] by the US this year to abandon [redacted] reduction [redacted] while European farmers must set-aside up [redacted] 15 per cent [redacted] their land. [redacted] producers are currently being urged [redacted] grow [redacted] to make up for a shortfall in output *caused by last year's massive* flooding. Mr Espy said that 21m acres of farmland in the [redacted] had [redacted] under water with 5m [redacted] totally destroyed [redacted] it was covered with [redacted] to seven [redacted] of [redacted] and sand.

Collateral plan may solve CIS aluminium problem

By Kenneth Gooding, Mining Correspondent

Support is growing [redacted] an ingenious potential solution [redacted] the world aluminium supply crisis [redacted] would involve surplus metal from the Commonwealth of Independent States being [redacted] collateral for [redacted] government-guaranteed loans [redacted] CIS.

"This would [redacted] supply [redacted] market, provide [redacted] currency [redacted] the CIS, and, with [redacted] stipulation [redacted] portion of the [redacted] to upgrade [redacted] smelters, would improve the physical environment surrounding [redacted] smelters, which [redacted] been dev[redacted] by [redacted] neglect," suggests Mr Eli Epstein, [redacted] executive of Calcined Coke Corporation, the [redacted] York-based concern [redacted] formulated the proposals.

It [redacted] also [redacted] with the [redacted] for [redacted] world-wide smelter production [redacted] consideration – and the [redacted] unemployment – [redacted] restrictions [redacted] imports from the CIS of the kind at present in force in the European Union.

Calco, [redacted] big supplier to [redacted] international aluminium industry, [redacted] discussed its [redacted] with [redacted] US [redacted] and representatives [redacted] Export-Import Bank [redacted] well [redacted] industry [redacted] and the [redacted] been "encouraging," says Mr Epstein.

He hopes [redacted] Calco proposals will [redacted] on [redacted] agenda when trade representatives from [redacted] world's main aluminium-producing countries and the industry meet in Brussels on January 18 and [redacted] for a third round [redacted] talks [redacted] arising from the sudden [redacted] CIS exports following the collapse of [redacted] former [redacted] Union. This has pushed up aluminium stocks [redacted] driven [redacted] prices to [redacted] level [redacted] suffering operating losses.

[redacted] estimates that [redacted] present value of [redacted] surplus aluminium stocks, about 700,000 tonnes, is roughly $700m. It suggests [redacted] entire surplus [redacted] securely [redacted] becomes collateral for the [redacted] government guarantee of [redacted] made [redacted] the CIS by financial institutions. Loans provided [redacted] the CIS would substantially [redacted] value of the [redacted] the collateral would reduce the risk [redacted] these loans and support the [redacted] commitment [redacted] helping the CIS economically.

Surplus [redacted] until it could comfortably [redacted] absorbed. After a time, aluminium demand, [redacted] growing [redacted] annual [redacted] per cent, should catch up with supply and allow for the [redacted] the [redacted] in [redacted] controlled fashion.

"The substantial influx of capital [redacted] CIS will trigger economic development which should increase its domestic demand for primary aluminium," Mr Epstein points out. If loans [redacted] repaid [redacted] aluminium would be returned [redacted] planned intervals and if there [redacted] default [redacted] metal would [redacted] gradually [redacted] predetermined price levels.

Mr Epstein suggests [redacted] if the [redacted] is implemented, "the aluminium industry worldwide would benefit [redacted] stable pricing [redacted] employment. The [redacted] would have [redacted] source [redacted] currency [redacted] reduce [redacted] environmental impact of its inefficient smelters. Using the inventory as collateral would [redacted] risk of default [redacted] loans and, with import restrictions unnecessary, free trade relationships [redacted] maintained."

Incoming Chilean copper chief objects to military burden

By [redacted] Pilling in [redacted]

Codelco, Chile's state copper company, should not be obliged [redacted] hand [redacted] 10 per cent of [redacted] earnings to [redacted] armed forces, according [redacted] Mr Juan Villarzú, who [redacted] as the company's president in March.

Under legislation brought in by Chile's former military government, Codelco last year financed [redacted] armed forces [redacted] the [redacted] of [redacted] $190m, [redacted] fifth of [redacted] ministry's [redacted] budget.

"The way funds [redacted] at [redacted] moment [redacted] not appropriate [redacted] point [redacted] view of [redacted] efficiency [redacted] functioning [redacted] the [redacted]try," [redacted] Mr Villarzú, who was appointed [redacted] Codelco by the president-elect, [redacted] Eduardo [redacted]

The removal of [redacted] requirement to supplement [redacted] armed forces budget would be an essential step towards [redacted] long-term plans [redacted] privatise Codelco, [redacted] no private [redacted] would be willing [redacted] such [redacted] heavy burden. However, Mr Frei's administration has ruled [redacted] any question [redacted] selling [redacted] state entity, which [redacted] considered [redacted] be [redacted] "strategic" importance [redacted] the [redacted] economy.

Instead, Mr Villarzu has promised that he will push ahead with modernisation plans aimed [redacted] boosting productivity, which [redacted] necessary because of declining ore grades, [redacted] of inadequate investment and the appreciation [redacted] Chilean peso. [redacted] has fully [redacted] moves [redacted] split Codelco's [redacted] principal [redacted] into [redacted] divisions, [redacted] of which would be expected to turn [redacted] profit.

It [redacted] "perfectly feasible" [redacted] expect [redacted] modernisation plans, which included [redacted] gradual reduction of staff, [redacted] improve productivity "significantly" within five years, [redacted]

Mr Villarzú also [redacted] more [redacted] Codelco should be in [redacted] position to develop important [redacted] bodies [redacted] as Radomiro Tomic and [redacted] Mina. He rejected [redacted] "pressure from certain elements on the right" suggestions [redacted] Codelco should exploit such [redacted] through joint-venture operations with private mining companies.

"We don't see [redacted] necessity of this," he said. "We [redacted] that Codelco [redacted] exploit such [redacted] own, but only when there [redacted] clear guarantees that it has achieved better management."

EU acts against residues in tea

By Kunal Bose in Calcutta

The European Union has set [redacted] time-table for all tea-producing countries to reduce pesticide residues in processed [redacted] acceptable [redacted] if they [redacted] to retain access to the EU market. According to Indian tea industry officials, the EU is requiring reductions in in [redacted] *two-yearly* [redacted] *beginning* this month.

The Indian industry, which exports [redacted] 200m kg of tea [redacted] year, thinks the problem can [redacted] tackled largely by scrupulously following [redacted] spraying schedules laid down by the Tea Research Association and the United Planters' Association.

[redacted] Indian Tea [redacted] has started consultation with [redacted] producers, exporters and *research organisations* [redacted] formulate a strategy gradually [redacted] reduce the levels of pesticide residues in teas grown in [redacted]ferent parts of the country without disturbing the volume [redacted] production.

Japan has recently expressed [redacted] about the rising level of pesticide [redacted] Darjeeling teas and has rejected [redacted] shipments. [redacted] German [redacted] buyers have also complained about pesticide residues in Indian teas.

Rubber makes bright start to 1994

By Kieran Cooke in Kuala Lumpur

The new year [redacted] started well for [redacted] world's natural rubber producers with prices rising in [redacted] to increased demand in many [redacted] economies and [redacted] on supplies [redacted] by [redacted] fall [redacted] in production in major producing [redacted]tries.

Mr Aldo Hofmeister, the Kuala Lumpur-based buffer [redacted] of the International [redacted] Rubber Organisation, [redacted] he expects natural rubber prices to [redacted] by about 5 per cent in 1994, compared with [redacted] year.

"I am not too pessimistic," [redacted] Mr [redacted] "The US [redacted] continues [redacted] rebound and West Europe is expected [redacted] improve by mid-year. Japan is still [redacted] question mark, but South Korea is doing well."

As an indication of [redacted] strong uptrend in prices, [redacted] Inro five-day moving [redacted] Malaysian/Singapore [redacted] a kilogram, compared with an eight-year low in natural [redacted] prices of 156.31 Malaysian/Singapore [redacted] the [redacted] September.

Traders [redacted] been a fall [redacted] in production in Malaysia, Thailand and, [redacted] a [redacted] extent, Indonesia [redacted] of an extended monsoon [redacted] Malaysia's 1993 production is [redacted]mated [redacted] have fallen to [redacted] from [redacted] tonnes in 1992.

Traders [redacted] buying in [redacted] more than 20,000 tonnes of [redacted]ural rubber by the Inro buffer stock [redacted] at the end of last year also helped prices. The Inro natural rubber stockpile is now estimated at slightly more [redacted] tonnes.

Jamaican government sells sugar mills

By Canute James in [redacted]

[redacted] Jamaican government [redacted] four of five state-owned [redacted] mills [redacted] local and foreign investors who have promised [redacted] refurbish the plants [redacted] production.

The sale [redacted] part of [redacted] programme of divestment [redacted] economic enterprises, and [redacted] purchasers have paid [redacted] for the mills, which have [redacted] aggregate rated capacity of 270,000 tonnes a year.

Tate [redacted] Lyle [redacted] is included in one consortium, which has brought [redacted] Frome, Monymusk and Bernard Lodge mills. [redacted] members of the group include Wray and Nephew, one [redacted] Jamaica's leading [redacted] The Long [redacted] mill has been bought by a [redacted] up of local companies involved in financial services.

The fifth state-owned mill [redacted] not being offered [redacted] as it [redacted] leased [redacted] a privately-owned company, [redacted] government officials. The island's four other mills [redacted] privately owned.

The purchasers of [redacted] four mills plan to invest [redacted] modernise [redacted] plants [redacted] to increase efficiency, cutting pro[redacted] and lifting output from the current level [redacted] just [redacted] half [redacted] capacity. The smaller privately owned mills have been running [redacted] 90 per cent of rated capacity, [redacted] said.

The purchasers [redacted] also leasing 38,000 acres of [redacted] farms, which will supply the mills. The government [redacted] state-owned [redacted] farms will [redacted] divested [redacted] the next two years.

The proceeds from the [redacted] of the mills will [redacted] used by the government [redacted] the [redacted]try's outstanding obligations, including the repayment of $16m to the World [redacted] $13.5m for redundancy pay[redacted] workers.

Government [redacted] said they [redacted] hoping that the improvements [redacted] the mills by the new owners would lift Jamaica's [redacted] production in two years [redacted] about [redacted] tonnes [redacted] year. Production last year was 224,500 tonnes, marginally higher than in 1992.

The [redacted] the divestment would also make Jamaica's sugar industry more competitive by reducing production [redacted] from [redacted] average [redacted] pound. "If [redacted] be cut by [redacted] one [redacted] will be able [redacted] compete on the world market with the *additional* [redacted] expect the country [redacted] produce," said one official.

COMMODITIES PRICES

BASE METALS

LONDON METAL [redacted]XCHANGE
(Prices from Amalgamated Metal Trading)

■ ALUMINIUM, 99.7 PURITY ($ per tonne)

	Cash	3 mths
Close	1130.5-1.5	1149-50
Previous	1116-17	1135-35.5
High/low	1120.5	1150/1135
AM Official	1120.5-1.0	1138-38.5
Kerb close		1149-49.5
Open int.	263,901	
Total daily turnover	45,683	

■ ALUMINIUM ALLOY ($ per tonne)

Close	973-77	[redacted]
Previous	965-70	981-96
High/low	972	1000/985
[redacted] Official	972-73	995-96
Kerb close		995-1000
Open int.	2,740	
Total daily turnover	309	

■ LEAD ($ per tonne)

Close	463-64	477-77.5
Previous	468.5-9.5	482-83
High/low	465.5	484/477
AM Official	465.5-66	478.5-79
Kerb close		477.5-58
Open int.	31,928	
Total daily turnover	5,164	

■ NICKEL ($ per tonne)

Close	5295-305	5355-60
Previous	[redacted]	5295-300
High/low		5360/5290
AM Official	5255-60	5320-21
Kerb close		5360-70
Open int.	50,435	
Total daily turnover	[redacted]	

■ TIN ($ per tonne)

Close	4770-80	4820-30
Previous	4803-8	4855-60
High/low		[redacted]
AM Official	4733-38	4780-85
Kerb close		4850-60
Open int.	16,088	
Total daily turnover	[redacted]	

■ ZINC, special high grade ($ per tonne)

Close	[redacted]	1007.5-8.0
Previous	996-97	1015-16
High/low		1018/1006
AM Official	[redacted]	[redacted]
Kerb close		1009-10
Open int.	102,865	
Total daily turnover	32,178	

■ COPPER, grade [redacted] ($ per tonne)

Close	[redacted]	1767-7.5
Previous	1732-33	1752-52.5
High/low	1743.5	[redacted]
AM Official	1743-43.5	[redacted]
[redacted]		1762.5-63
Open int.	[redacted]	
Total daily turnover	[redacted]	

■ LME AM Official £/$ rate: 1.4848
LME Closing £/$ rate 1.4875

Spot:1.4870 3 mths:1.4798 6 mths:1.4753 9 mths:1.4710

■ HIGH GRADE COPPER (COMEX)

	Close	Day's change	High	low	Open int	Vol
Jan	79.55	[redacted]	[redacted]	[redacted]	1,392	[redacted]
[redacted]	[redacted]	[redacted]	-	-	1,263	80
Mar	[redacted]	[redacted]	80.60	[redacted]	[redacted]	6,473
[redacted]	80.30	+0.25	[redacted]	[redacted]	721	[redacted]
May	[redacted]	[redacted]	81.00	80.30	[redacted]	[redacted]
Jun	[redacted]	[redacted]	-	-	827	8
Total					[redacted]	7,554

PRECIOUS METALS

■ LONDON BULLION MARKET
(Prices supplied by N M Rothschild)

Gold (T[redacted] oz.)	$ price	[redacted]
Clos[redacted]	395.25-396.75	
Opening	393.20-393.60	
Morning fix	394.00	265.213
Afternoon fix	395.25	265.768
Day's High	396.40-396.80	
Day's Low	393.20-393.60	
Previous close	394.00-394.50	

Loco Ldn Mean Gold Lending Rates (Vs US$)
1 month ....2.85 6 months 2.84
2 months ....2.83 12 months 2.89
3 months 2.82

Silver Fix	p/troy oz.	US cts equiv.
Spot	352.25	523.25
3 months	356.55	527.05
6 months	360.85	531.40
1 year	368.80	540.85

Gold Coins	$ price	£ equiv.
Krugerrand	[redacted]	[redacted]
Maple Leaf	407.75-410.30	
New Sovereign	92-95	61-64

Precious Metals continued

■ GOLD COMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	Low	Open int	[redacted]
Feb	392.1	-3.0	397.8	390.0	97,814	22,427
Mar	393.0	[redacted]	398.3	395.0	[redacted]	11
[redacted]	394.1	-3.0	399.8	392.0	15,684	3,255
Jun	396.0	-3.0	[redacted]	393.5	23,494	2,245
Aug	398.1	-2.9	403.1	401.0	5,549	197
Oct	400.2	-2.9	-	-	3,763	20
Total					170,497	28,898

■ PLATINUM NYMEX (50 Troy oz.; $/troy oz.)

[redacted]	393.2	-8.9	399.0	[redacted]	[redacted]	79
Apr	395.7	-8.5	[redacted]	[redacted]	17,876	[redacted]
[redacted]	397.0	-8.5	[redacted]	[redacted]	2,322	80
[redacted]	398.3	-8.5	405.0	[redacted]	[redacted]	-
Jan	399.7	[redacted]	[redacted]	405.0	125	-
Total					21,011	1,377

■ PALLADIUM NYMEX (100 Troy oz.; $/troy oz.)

Mar	[redacted]	[redacted]	[redacted]	126.50	[redacted]	[redacted]
Jun	[redacted]	-1.25	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	125.20	-1.25	-	-	53	-
Dec	124.70	-1.25	126.00	[redacted]	[redacted]	-
Total					[redacted]	181

■ SILVER COMEX (100 Troy oz.; $/troy oz.)

Jan	505.5	-14.5	523.0	522.0	4	1
Feb	521.5	-	-	-	1	-
[redacted]	506.3	-14.5	[redacted]	498.0	[redacted]	[redacted]
May	[redacted]	-14.6	[redacted]	[redacted]	[redacted]	[redacted]
Jul	[redacted]	-14.7	534.0	505.5	10,650	[redacted]
Sep	518.4	-14.8	[redacted]	516.0	[redacted]	66
Total					[redacted]	[redacted]

ENERGY

■ CRUDE OIL NYMEX (42,000 US galls. $/barrel)

	Latest price	[redacted] change	High	Low	Open int	Vol
[redacted]	15.09	+0.42	[redacted]	14.85	[redacted]	[redacted]
[redacted]	15.33	[redacted]	15.40	[redacted]	83,831	17,244
[redacted]	[redacted]	+0.32	15.64	15.23	30,395	[redacted]
[redacted]	[redacted]	+0.28	[redacted]	[redacted]	27,044	[redacted]
Jun	16.00	[redacted]	16.10	[redacted]	[redacted]	3,125
Jul	16.22	+0.21	16.28	[redacted]	[redacted]	698
Total					[redacted]	79,949

■ CRUDE OIL IPE ($/barrel)

	Latest price	Day's change	High	Low	Open int	Vol
[redacted]	[redacted]	[redacted]	14.19	13.74	[redacted]	[redacted]
[redacted]	14.18	+37	[redacted]	13.90	27,112	[redacted]
Apr	14.33	+28	14.41	14.11	12,027	4,570
May	[redacted]	[redacted]	14.58	[redacted]	[redacted]	506
Jun	14.74	+34	14.79	[redacted]	[redacted]	[redacted]
Jul	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Total					[redacted]	53,507

■ HEATING OIL NYMEX (42,000 US galls.; c/US galls.)

	[redacted] price	Day's change	[redacted]	Low	Open int	[redacted]
Feb	47.10	+107	47.20	46.00	56,126	17,162
Mar	46.50	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Apr	[redacted]	[redacted]	[redacted]	[redacted]	21,359	[redacted]
May	45.65	+60	[redacted]	45.30	25,890	777
Jun	[redacted]	[redacted]	[redacted]	[redacted]	17,007	1,216
Jul	46.25	+70	46.40	46.10	12,763	1,117
Total					109,809	18,661

■ GAS OIL IPE ($/tonne)

	Latest price	Day's change	High	Low	Open int	Vol
Jan	[redacted]	+375	[redacted]	145.00	[redacted]	8,545
[redacted]	[redacted]	[redacted]	147.25	145.50	[redacted]	6,345
Mar	[redacted]	[redacted]	[redacted]	145.25	16,882	1,814
Apr	[redacted]	[redacted]	[redacted]	144.75	10,568	837
May	[redacted]	[redacted]	[redacted]	[redacted]	6,620	[redacted]
Jun	146.75	[redacted]	147.25	146.00	11,788	369
Total						

■ NATURAL GAS NYMEX (10,000 mmBtu.; $/mmBtu.)

	Latest price	[redacted] change	High	Low	Open int	Vol
Feb	2.045	[redacted]	2.080	2.020	25,035	6,005
[redacted]	1.977	[redacted]	1.990	1.940	[redacted]	2,239
Apr	[redacted]	+.052	1.950	1.920	[redacted]	1,017
[redacted]	[redacted]	[redacted]	1.950	[redacted]	[redacted]	747
Jun	[redacted]	[redacted]	[redacted]	1.940	[redacted]	323
Jul	[redacted]	[redacted]	[redacted]	[redacted]	7,751	247
Total					127,395	12,283

■ UNLEADED GASOLINE
NYMEX (42,000 US galls.; c/US galls.)

	[redacted] price	[redacted]	High	[redacted]	Open [redacted]	[redacted]
Feb	42.90	+81	[redacted]	[redacted]	42,361	[redacted]
Mar	43.95	+75	[redacted]	43.30	31,325	[redacted]
Apr	[redacted]	[redacted]	[redacted]	46.70	22,268	2,529
May	47.85	+66	48.00	[redacted]	25,937	[redacted]
[redacted]	[redacted]	[redacted]	48.65	[redacted]	8,485	448
Jul	48.85	+60	49.00	48.85	2,279	78
Total					136,698	[redacted]

[redacted] AND OIL SEEDS

■ WHEAT LCE (£ per tonne)

	Sett price	Day's [redacted]	High	Low	Open int	[redacted]
[redacted]	98.20	-0.20	98.25	98.00	[redacted]	48
Mar	[redacted]	[redacted]	100.00	99.65	2,160	[redacted]
May	101.10	-0.30	[redacted]	[redacted]	1,615	98
Jun	101.75	-0.25	-	-	137	-
Sep	90.00	+0.25	-	-	85	-
Nov	91.40	+0.75	91.20	91.20	473	10
Total					4,916	336

■ WHEAT CBT (5,000bu min; cents/60lb bushel)

Mar	366/4	+4/6	368/4	360/0	157,120	103,350
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	42,755	20,135
[redacted]	[redacted]	0	344/4	[redacted]	61,636	26,300
Sep	343/0	-2/2	346/2	343/0	7,140	[redacted]
Dec	352/0	-1/4	[redacted]	351/0	6,040	[redacted]
Jul	327/0	+1/0			20	
Total					180,695	2,405

■ MAIZE CBT (5,000 bu min; cents/56lb bushel)

Mar	305/4	-0/6	[redacted]	304/2	748,615	183,835
May	[redacted]	-0/2	309/6	307/6	388,765	[redacted]
Jul	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	52,940
[redacted]	[redacted]	[redacted]	290/0	288/2	[redacted]	10,390
Dec	270/4	+1/0	271/0	269/2	178,270	23,405
Mar	276/0	+0/4	276/4	275/0	10,065	1,440
Total					[redacted]	[redacted]

■ BARLEY LCE (£ per tonne)

Jan	102.75	[redacted]	-	-	183	-
[redacted]	[redacted]	[redacted]	-	-	702	-
[redacted]	[redacted]	[redacted]	-	-	203	-
[redacted]	92.65	-	-	-	40	-
[redacted]	[redacted]	-	-	-	[redacted]	-
[redacted]	97.00	-	-	-	-	-
Total					1,160	0

■ SOYABEANS CBT (5,000bu min; cents/60lb bushel)

Jan	696/6	+4/2	697/0	689/0	42,110	57,025
[redacted]	705/6	[redacted]	[redacted]	698/0	415,075	197,135
[redacted]	709/4	+5/4	710/0	[redacted]	[redacted]	30,470
[redacted]	[redacted]	+3/0	711/0	703/0	153,305	17,355
Aug	[redacted]	[redacted]	705/0	698/0	24,310	[redacted]
Sep	677/6	[redacted]	678/0	675/0	14,080	[redacted]
Total					887,955	321,320

■ SOYABEAN OIL CBT [redacted] cents/lb)

Jan	29.21	-0.03	[redacted]	28.98	8,786	2,944
Mar	29.18	-	[redacted]	28.95	46,982	10,713
May	28.80	-0.03	28.90	[redacted]	[redacted]	[redacted]
Jul	28.29	-0.11	28.37	28.08	12,383	[redacted]
[redacted]	27.80	[redacted]	27.85	[redacted]	[redacted]	[redacted]
Sep	[redacted]	[redacted]	27.06	[redacted]	3,812	[redacted]
Total					98,857	[redacted]

■ SOYABEAN MEAL CBT (100 tons; $/ton)

Jan	200.6	-0.6	201.0	199.1	[redacted]	2,773
Mar	[redacted]	-0.1	[redacted]	[redacted]	[redacted]	10,298
[redacted]	202.1	+0.3	[redacted]	[redacted]	[redacted]	3,294
Jul	203.0	[redacted]	203.1	201.8	[redacted]	[redacted]
Aug	202.2	+0.4	[redacted]	201.0	[redacted]	73
Sep	200.6	+0.4	200.8	199.5	2,562	64
Total					86,182	18,685

■ POTATOES LCE (£/tonne)

Mar	[redacted]	-5.0	-	-	31	-
Apr	110.3	+1.5	111.8	109.0	1,782	97
May	[redacted]	+1.0	[redacted]	-	613	61
Jun	130.0	-	-	-	2	-
Nov	[redacted]	-	-	-	-	-
Mar	[redacted]	-	-	-	-	-
Total					[redacted]	168

■ FREIGHT (BIFFEX) LCE ($10/index point)

Jan	1215	-10	[redacted]	1215	923	20
Feb	1248	-7	[redacted]	1248	141	15
Mar	1273	-2	-	-	[redacted]	-
Apr	1287	+2	1290	1285	790	8
Jul	1165	+2	-	-	222	-
Oct	1295	-10	-	-	181	-
Total					2,321	43

	Close	Prev
[redacted]	1213	1215

COTTON
Liverpool- Spot and shipment sales amounted to 610 tonnes for the week ended 31 December, against nil in the previous week. Renewed purchasing in many specialist styles attracted much attention. American, Central Asian and Greek qualities as well as Israeli, Mali and Turkish growths moved off steadily.

JUTE
December/January c and f Dundee: BTC $475, BWC $500, BTD $450, BWD $465. C and F Antwerp: BTC $465, BWC $455, BTD $425, BWD $425.

SOFTS

■ COCOA LCE (£/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	885	-37	917	885	38,812	4,395
[redacted]	[redacted]	[redacted]	937	905	[redacted]	[redacted]
Jul	922	-30	950	920	[redacted]	437
Sep	935	-29	965	[redacted]	10,098	357
Dec	949	-31	973	945	14,052	451
Mar	965	-28	978	964	24,780	256
Total					127,884	[redacted]

■ COCOA CSCE (10 tonnes; $/tonnes)

[redacted]	1133	-29	1148	1123	34,684	[redacted]
May	1167	[redacted]	1177	1156	14,012	899
Jul	1198	-25	1206	1190	[redacted]	119
[redacted]	1223	-30	1232	1220	6,260	71
[redacted]	1250	-30	1255	1244	6,404	69
Mar	1262	-30	1270	1260	8,061	145
Total					[redacted]	[redacted]

■ COCOA (ICCO) (SDR's/tonne)

Jan 4	Price	Prev. day
Daily	943.63	929.29
[redacted] 5		
10 day average	933.58	931.72

■ [redacted] LCE ($/tonne)

Jan	1181	+2	1188	1176	1,794	197
[redacted]	1195	-4	1208	1193	[redacted]	[redacted]
[redacted]	1200	-5	1213	1200	[redacted]	[redacted]
Jul	1197	-3	1210	1196	[redacted]	180
[redacted]	[redacted]	-4	1205	1202	743	19
Nov	1196	-7	1205	1199	230	61
Total					[redacted]	[redacted]

■ COFFEE 'C' CSCE (37,500lbs; cents/lbs)

Mar	71.55	-0.30	73.10	71.40	36,258	7,046
May	73.20	-0.40	74.85	73.10	10,112	2,500
Jul	[redacted]	[redacted]	76.10	74.50	3,394	320
[redacted]	76.00	[redacted]	[redacted]	[redacted]	2,147	[redacted]
[redacted]	77.50	-0.25	79.15	[redacted]	[redacted]	8
Mar	80.25	+0.75	-	-	749	3
Total					53,827	9,987

■ COFFEE (ICO) (US cents/pound)

Jan 4	Price	Prev. day
Comp. daily	68.82	68.88
15 day average	71.33	71.60

■ No7 PREMIUM RAW SUGAR LCE (cents/lbs)

Mar	10.90	[redacted]	[redacted]	10.87	1,113	5
[redacted]	11.21	[redacted]	-	-	677	-
Jul	11.41	+0.07	-	-	2,919	-
Oct	11.21	+0.07	-	-	45	-
Total					4,754	5

■ WHITE SUGAR LCE ($/tonne)

Mar	285.60	+0.50	286.00	284.90	7,178	[redacted]
May	287.90	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Aug	292.00	+0.50	291.50	290.90	[redacted]	62
Oct	[redacted]	[redacted]	[redacted]	280.90	1,722	70
[redacted]	280.90	+0.80	-	-	79	-
Mar	281.90	+0.80	-	-	63	-
Total					12,262	697

■ SUGAR '11' CSCE (112,000lbs; cents/lbs)

Mar	10.74	+0.04	10.77	10.66	[redacted]	[redacted]
May	10.99	+0.10	11.00	10.89	24,311	[redacted]
Jul	10.91	+0.11	[redacted]	10.81	15,704	[redacted]
Oct	[redacted]	+0.11	10.87	[redacted]	[redacted]	[redacted]
Mar	[redacted]	+0.11	10.85	[redacted]	2,063	15
May	[redacted]	+0.11	-	-	12	1
Total					104,579	11,483

■ COTTON NYCE (50,000lbs; cents/lbs)

Mar	[redacted]	+1.61	68.57	67.10	[redacted]	8,342
May	[redacted]	+1.62	[redacted]	[redacted]	[redacted]	[redacted]
Jul	[redacted]	+1.45	[redacted]	[redacted]	[redacted]	1,019
Oct	[redacted]	[redacted]	67.50	66.90	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	67.00	50	-
Total					51,504	10,239

■ ORANGE JUICE NYCE ([redacted] cents/lbs)

Jan	109.80	+0.85	110.00	108.00	970	398
Mar	112.60	[redacted]	[redacted]	[redacted]	12,340	2,113
May	115.20	[redacted]	116.00	[redacted]	3,032	337
Jul	117.30	[redacted]	[redacted]	[redacted]	1,096	[redacted]
Sep	[redacted]	-0.40	118.00	[redacted]	652	-
[redacted]	120.80	-0.65	-	-	148	21
Total						

VOLUME DATA
Open interest and Volume data shown for contracts traded on COMEX, NYMEX, CBT, NYCE, CME and CSCE are one day in arrears.

INDICES

■ REUTERS (Base: 18/9/31=100)

[redacted]	[redacted] 4	[redacted]	year ago
	1673.1	[redacted]	[redacted]

■ CRB (Base: 4/9/56=100)

Jan 4	Jan 3	month ago	year ago
[redacted]	[redacted]	-	201.47

MEAT AND LIVESTOCK

■ LIVE CATTLE CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	[redacted]	[redacted]
Feb	72.875	+.300	73.000	72.450	34,043	6,269
Apr	75.425	[redacted]	75.600	75.275	[redacted]	2,055
Jun	74.025	[redacted]	74.050	73.675	[redacted]	2,288
[redacted]	72.950	[redacted]	72.975	72.650	[redacted]	748
Oct	[redacted]	+.425	73.000	[redacted]	3,785	102
Dec	[redacted]	+.250	73.600	[redacted]	720	4
Total					[redacted]	[redacted]

■ LIVE HOGS CME (40,000lbs; cents/lbs)

Feb	48.675	-	48.850	48.275	12,881	[redacted]
[redacted]	47.575	[redacted]	47.850	[redacted]	[redacted]	1,673
Jun	53.100	[redacted]	[redacted]	52.725	5,572	[redacted]
Jul	53.075	[redacted]	[redacted]	52.700	2,393	396
[redacted]	[redacted]	+.050	51.450	[redacted]	1,631	172
Oct	48.525	[redacted]	48.600	[redacted]	[redacted]	106
Total					30,595	5,872

■ PORK BELLIES CME (40,000lbs; cents/lbs)

Feb	56.650	[redacted]	56.800	55.900	[redacted]	[redacted]
Mar	57.150	[redacted]	57.300	56.550	[redacted]	367
[redacted]	58.575	+.650	58.650	57.800	1,748	197
Jul	[redacted]	+.775	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	58.450	58.035	[redacted]	78
Total					[redacted]	

LONDON TRADED OPTIONS

Strike price $ tonne	Calls		Puts	
■ [redacted] (99.7%) LME	[redacted]	Jun	[redacted]	Jun
1125	33	58	[redacted]	[redacted]
1150	22	[redacted]	[redacted]	48
1175	1	[redacted]	[redacted]	[redacted]
■ COPPER (Grade A) LME	[redacted]	Jun	[redacted]	Jun
1750	47	[redacted]	47	[redacted]
1800	28	66	[redacted]	84
1850	14	[redacted]	113	116
■ COFFEE LCE	Mar	May	[redacted]	[redacted]
1150	72	[redacted]	26	53
1200	44	[redacted]	[redacted]	77
1250	26	[redacted]	80	107
■ COCOA LCE	Mar	May	[redacted]	May
900	29	60	[redacted]	50
925	20	[redacted]	[redacted]	[redacted]
950	14	[redacted]	[redacted]	80
■ BRENT CRUDE IPE	Jan	[redacted]	Jan	[redacted]
1400	-	26	-	[redacted]
1450	-	[redacted]	-	-
1500	-	[redacted]	-	154

LONDON SPOT MARKETS

■ CRUDE OIL FOB (per barrel/Feb) +or-

Dubai	12.98-3.03w	+0.55
[redacted] (dated)	14.22-4.24	+0.615
Brent Blend (Feb)	14.07-4.09	+0.51
W.T.I. (1pm est)	15.10-5.12w	+0.585

■ OIL PRODUCTS NWE prompt delivery CIF (tonne)

Premium [redacted]	145-147	+4
Gas Oil	150-152	+4
Heavy Fuel Oil	54-56	
Naphtha	129-132	+2
Jet fuel	170-171	+1

Petroleum Argus Estimates

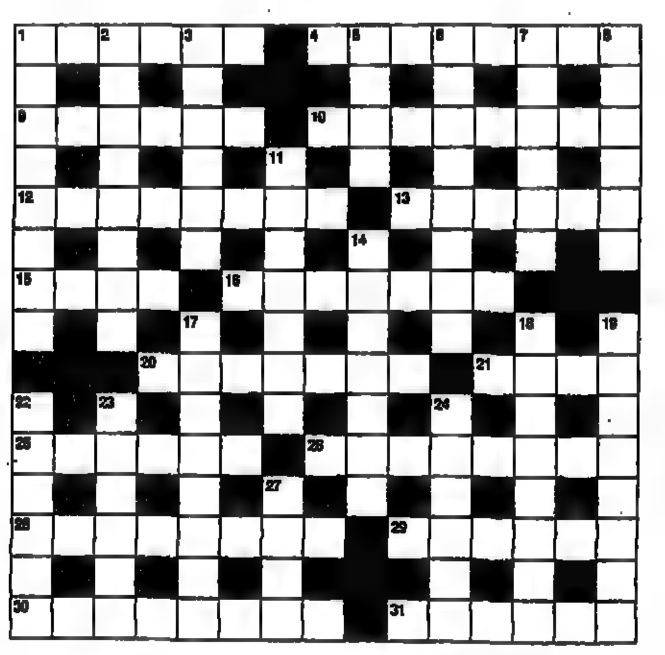
■ OTHER

Gold (per troy oz)♣	$396.50	[redacted]
Silver (per troy oz)♣	524.5c	+1.0
Platinum (per troy oz.)	$397.25	-0.75
Palladium (per troy oz.)	[redacted]	+1.75
Copper (US prod.)	[redacted]	
[redacted] (US prod.)	[redacted]	
Tin (Kuala Lumpur)	12.17r	-0.32
Tin (New York)	221[redacted]	-6.0
Zinc (US Prime W.)	Unq.	
Cattle (live weight)††	119.36p	[redacted]
Sheep (live weight)†♠	94.65p	-2.06*
[redacted] (live [redacted]ht)	63.61p	[redacted]
Lon. day sugar (raw)	[redacted]	-3.7
Lon. day sugar (wte)	$288.9	[redacted]
Tate & Lyle export	£290.5	[redacted]
Barley (Eng. feed)	Unq.	
Maize (US No3 Yellow)	£129.0z	
Wheat (US Dark North)	£175.0	
Rubber (Jan)♥	61.50p	[redacted]
Rubber (Feb)♥	61.75p	-0.25
Rubber (KL RSS No1 Jul)	212.5m	+0.5
Coconut Oil (Phil)§	[redacted]	[redacted]
Palm Oil (Malay.)§	$415.0z	[redacted]
Copra (Phil)§	$432.5	
Soyabeans (US)	£205.0y	-3.0
Cotton 'A' Index	63.75c	+0.30
[redacted]tops (64s Super)	[redacted]	

£ per tonne unless otherwise stated. p pence/kg. c cents/lb. r ringgit/kg. m Malaysian cents/kg. y Jan/Apr w Feb. z Jan. v Sep/Oct. t Dec/Jan. x Feb/Mar. ♥ London Physical. § CIF [redacted] market close. ♠ [redacted] prices). * Change on week, provisional prices.

CROSSWORD

No.8,346 [redacted] by VIXEN



[redacted]

1 [redacted] reason [redacted] speak [redacted]
[redacted] Dreadful man [redacted] girl [redacted] (8)
9 [redacted]
10 [redacted] impressed [redacted] egghead (8)
12 Totally [redacted] fault with claim (8)
[redacted] People not in [redacted] muddle [redacted]
15 Well-known [redacted] an exquisite rose-garden [redacted]
16 Bored, [redacted] given training [redacted] (7)
20 The army officer's blanket (7)
21 Entrance [redacted] spectators [redacted]
25 [redacted] organised in Iran [redacted]
[redacted] showing [redacted]
28 The keeper getting payment in advance [redacted]
[redacted] Put down a qualification that's topping (6)
30 Many [redacted] into line [redacted] stig[redacted] (8)
[redacted] up-to-date, being retrogressive, [redacted] (4,2)

DOWN

1 Hardened, so [redacted] a [redacted] treatment [redacted]
2 Disclaimer for example accepted by [redacted]
3 [redacted] gift for a guy can include [redacted] pie [redacted]
5 Dead slow [redacted]
[redacted] young [redacted] and [redacted] will [redacted]
7 Some would describe rising early as a [redacted]mer! (6)
8 A writer of [redacted] English [redacted]
11 [redacted] a great [redacted]
14 Charwoman making [redacted] in church, right? (7)
17 Indul[redacted] in large [redacted] perhaps (8)
18 [redacted] offering many a [redacted]
[redacted] Hold [redacted] and [redacted] all [redacted] (8)
22 Tough grass may be [redacted]
[redacted] Drawing behind the Spanish (6)
24 Save contention [redacted] a point (6)
27 The man receiving royal [redacted] and [redacted] (4)

Solution 8,345

BOWANDARROW SUE
O E I T A I I X
TWANG LAMPLIGHT
[redacted] H A P L N E
WENTTO[redacted]EA PLAIN
A E E N O L T
NESTLES TOWS
A S A E N S
OMIT CURRENT
P A I O I U A
ELGIN CATHEDRAL
N O A C A A O L
COURTCARD TUTTI
I T E T E E I O
LEI DOALLONECAN

LONDON STOCK EXCHANGE

MARKET REPORT

Focus switches to the FT-SE Mid 250 stocks

By Terry Byland, UK Stock Market Editor

The managers of the big investment funds took a hard look at their pre-Christmas profits yesterday and began to reshape their portfolios, often moving out of blue chips and into second-line issues. Their endea[illegible] brought contrasting performances by market indices: the FT-SE 100-share Index abandoned the 2,400 mark to close nearly 30 points off, while the FT-SE Mid 250 Index, covering a wider range of stocks, jumped a further 21 points to a new high of 3,820.4.

The process of repositioning was hurried along by another reversal of fortunes in the March Footsie future, which was sold off in the second half of the session, and by fresh losses in UK government bonds.

Trading volume was heavy, and yesterday's Seaq total [illegible] 907.7m shares traded was spared the distortions of the previous day when just in [illegible] of 1bn shares passed through the electronic system; nearly 70 per cent of yesterday's trade was in non-Footsie stocks. Tuesday's retail trade in equities was worth £1.47bn, well up to the high levels recorded in the London market before Christmas.

At the final reading the FT-SE 100 was 29.3 off [illegible] 3,379.2. UK equities had opened hopefully, responding to a better performance [illegible] Wall [illegible] overnight than had been expected in view [illegible] the concerns that US interest [illegible] might be about [illegible] move higher. But [illegible] breaking through the [illegible] mark with [illegible] gain [illegible] 10.9 at 3,419.4, the market ran into [illegible] determined [illegible] stock index futures, on which the premium against the underlying index was quickly replaced by a dis[illegible]

Account Dealing Dates		
*First Dealings:		
Dec 13	Jan 4	Jan 17
Option Declarations:		
Dec 30	Jan 13	Jan 27
Last Dealings:		
Dec 31	Jan 14	Jan [illegible]
Account Day:		
Jan 10	Jan 24	Feb 7

*New time dealings may take place from two business days earlier.

The institutions showed themselves very selective in trading activity, [illegible] concentrated [illegible] specific [illegible] of the market. Media [illegible] continued [illegible] attract significant support as investors assessed [illegible] implications of the UK government's proposed review of cross media ownership. But the pharmaceuticals [illegible] suffered heavily following reports [illegible] proposed changes in Italian healthcare.

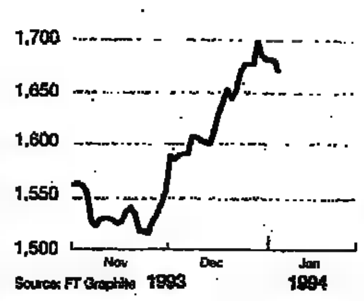
Some Channel ferry operators fell as the shipowners began to respond to reports of Eurotunnel's fares plans. And UK retail stores, still nervously awaiting [illegible] of [illegible] Christmas selling season, were sold down.

The final picture [illegible] the [illegible] stocks was more mixed than the fall in [illegible] index suggested. Oil [illegible] steadied on hints that the Opec ministers may meet [illegible] this month and attempt [illegible] stabilise crude prices. Insurance stocks [illegible] support but shares in [illegible] leading banks, which led the market [illegible] month, eased back ahead of their profits reporting [illegible] the exception was TSB.

The London market tried [illegible] rally in mid-afternoon but found further [illegible] for discouragement when Wall Street and other European markets looked hesitant. The close was the [illegible] point [illegible] the day [illegible] equity [illegible] feared that the weak[illegible] which has characterised UK [illegible] the return from the new [illegible] break could well continue for a while.

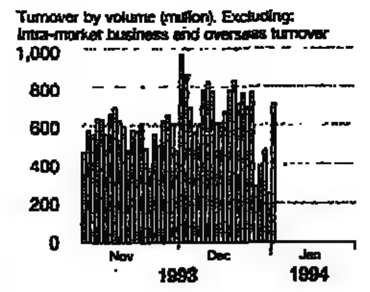
[illegible] sources looked for [illegible] on German interest [illegible] at today's meeting of the Bundesbank council. But the hopes for a cut in UK base rates, which helped to drive the [illegible] to new highs before Christmas, have waned [illegible] on [illegible] that they [illegible] be held [illegible] until [illegible] spring, [illegible] the Budget tax rises will begin [illegible] hit [illegible] and [illegible] economy.

FT-SE-A All-Share index



Equity Shares Traded

Turnover by volume (million). Excluding: intra-market business and overseas turnover



Key Indicators

Indices and ratios

FT SE 100	3379.2	(-29.3)	FT Ordinary Index	2546.2	-5.8
FT-SE Mid 250	3820.4	(+21.0)	FT-SE-A Non Fins p/e	[illegible]	(22.01)
FT-SE-A 350	1690.7	(-9.3)	FT-SE 100 Fut [illegible]	[illegible]	[illegible]
FT-SE-A All-Share	1671.92	(-7.79)	[illegible] yr Gilt yield	6.27	[illegible]
FT-SE-A All-Share yield	3.38	(3.37)	Long [illegible] yld [illegible]	2.00	[illegible]

Best performing [illegible]

1. Engineering, Vehicles ... +2.7
2. Leisure [illegible] ... +1.4
3. Retailers, [illegible] ... +1.1
4. [illegible] Apparel ... +0.9
5. Other Financial ... +0.8

Worst performing sectors

1. Pharmaceutials ... -2.2
2. Tobacco ... -1.8
3. Telecommunications ... -1.7
4. Banks ... -1.6
5. Water ... -1.4

Sellers hit drugs sector

[illegible]lected pharmaceutical stocks were driven lower as worries grew over the impact of new regulations in the Italian prescription drugs market.

SmithKline Beecham [illegible] the worst hit, [illegible] shares retreating [illegible] 391p. Analysts said [illegible] group's [illegible] year [illegible] in Italy [illegible] by [illegible] much [illegible] per cent under the [illegible] rules. [illegible] SmithKline drugs – Argmentin, Refen and Seroxat – could be reclassified under the regulations omitting them from receiving state reimbursements for customer prescriptions. However, the drugs companies plan to appeal against the new regulations.

Glaxo, which tumbled 23 to 693p, was further undermined by a negative note from Goldman Sachs, which reaffirmed its view that over the long term the stock will underperform. The broker is concerned that the ending of patent rights for Tagamet – [illegible] by SmithKline Beecham – in 1994 may bring lower usage of Zantac, the Glaxo-owned rival in [illegible] ulcer market, as cheaper alternatives [illegible] Tagamet [illegible] available.

A significant proportion [illegible] US health [illegible] responding [illegible] a Goldman [illegible] indicated that they [illegible] likely to [illegible] Zantac [illegible] generic Tagamet [illegible] available. However, [illegible] positive Mr Nigel [illegible] at [illegible] Govett said: "The impact of generic Tagamet [illegible] therapeutic differences' [illegible] and Tagamet [illegible] product [illegible] then just price alone."

Elsewhere, Wellcome staged [illegible] gaining [illegible] Brothers issuing a buy [illegible] The [illegible] argued [illegible] shares had [illegible] and said that even on the most pessimistic assumptions compound annual [illegible] growth [illegible] 12 [illegible] expected [illegible] the next [illegible].

TV stocks busy

[illegible] once again among [illegible] day's best performers as [illegible] Capel turned [illegible] positive [illegible]

The [illegible] broker urged [illegible] "go overweight" from [illegible] previous "in line" advice, [illegible] favourite stock being [illegible] Communications. [illegible] in Carlton ended 12 ahead [illegible], having [illegible] in the day, in [illegible] of [illegible]

The recommendation [illegible] James Capel [illegible] a further [illegible] buoyed by bid speculation following [illegible] a wide ranging review of UK cross-media ownership. Further [illegible] in LWT, up 20 at 626p, after it [illegible] it [illegible] in [illegible] Yorkshire-Tyne Tees, [illegible] 192p. However, it [illegible] strong recommendation from [illegible] that [illegible] Granada [illegible] ter [illegible] of 6.1m. Anglia, another potential [illegible] candidate, put [illegible] 441p.

Among publishing stocks, James Capel also favours United Newspapers [illegible] climbed 22 [illegible] 676p.

Legal [illegible] General advanced [illegible] 511p [illegible] Strauss Turnbull [illegible] buyers [illegible] stock. Analysts [illegible] broking house [illegible] it had been oversold in recent sessions. [illegible] investors [illegible] switch [illegible] of Guardian Royal Exchange and into Commercial Union. The [illegible] shed 2 [illegible] 228p, while [illegible] 2 firmer [illegible] 647p.

The [illegible] of a ferry price [illegible] ahead of the opening of the Channel tunnel later this [illegible] P&O, [illegible] of [illegible] main ferry operators across the channel. The [illegible] retreated [illegible] to 619p.

Meanwhile, [illegible] tunnel operator Eurotunnel [illegible] in [illegible] following Tuesday's funding agreement with the group's bankers. [illegible] shares gained another 14 to 644p with the stock [illegible] reported to have been heavily [illegible] Paris [illegible] it is also [illegible]

Profit-takers moved into [illegible] stores sector, although some second liners [illegible] in demand on the [illegible] good [illegible] sales. Allders jumped 14 [illegible] 218p, with encouraging trade reports from John Lewis [illegible] Fraser [illegible] to [illegible] underpinned support. Luxury goods [illegible] Vendome gained 8 to 394p and Sears edged up 1½ to 126½p. Moss [illegible] climbed 17 to 260p. WH Smith [illegible] out of steam, down 3½ [illegible] 514p, but reports [illegible] strong [illegible] sales again [illegible] Pentos, [illegible] 29p. Among jewellery [illegible], Sig[illegible] 1½ [illegible] and Gold[illegible] put [illegible] 3 to 91p. Among [illegible] majors, Boots [illegible] 6 [illegible] GUS [illegible] to 637p, Kingfisher 10 to 762p and Dixons 4 to 283p.

A hefty [illegible] from Kleinwort Benson on pub operators brought [illegible] interest [illegible] The broker [illegible] selling Boddington, [illegible] 5 [illegible] 280p, [illegible] shares' big premium [illegible] the likely sale [illegible] per [illegible] by Whitbread. It [illegible] negative on Vaux, down [illegible] 269p, which it [illegible] fully valued. [illegible] King, however, survived [illegible] broker's bearish remarks [illegible] climb 2 [illegible] 553p. Bass added 7 to 548p with Warburg said [illegible] be positive.

There was [illegible] day's busy trading in Ladbroke, although the large gains made on Tuesday [illegible] reigned in and [illegible] finished [illegible] session just 2 ahead at 177p. Turnover [illegible] 10m. Thorn EMI jumped 21 to a record 1011p [illegible] lumpy volume of 2.2m, with dealers attributing [illegible] continued talk [illegible] takeover in the multimedia market.

[illegible] clutch [illegible] broker's recommendations following Tuesday's announcement by Williams Holdings that it was buying [illegible] US [illegible] locks manufacturer, boosted [illegible] group's shares. They jumped 15 [illegible] 391p, with volume reaching 2.2m. The list [illegible] brokers [illegible] mending [illegible] Fleming [illegible]

A firm gold price coupled with favourable comment [illegible] international trading [illegible] Lonrho 6 to 140p.

Among aerospace and engineering stocks, Westland Group [illegible] on news [illegible] had [illegible] £150m helicopter order from Brazil. Henderson Crosthwaite was reported [illegible] have [illegible] for the day's [illegible] buyer of Rolls-Royce. The shares put on 5 to 168p, in [illegible] trading [illegible]

In motors, [illegible] turned [illegible] to GKN, [illegible] last year's underperforming stocks, [illegible] some [illegible] the possibility [illegible] an improvement in [illegible] group's European mar[illegible] this year. The shares jumped [illegible] 547p, while Laird Group, [illegible] 11 to 356p, in sympathy.

MARKET REPORTERS: Christopher Price, Joel Kibazo.

■ Other statistics, Page 17

NEW HIGHS AND LOWS FOR 1993/94

NEW HIGHS (336).

GILTS (2) BANKS (2) Allied Irish, Bank Ireland, [illegible] (2) Regent Inns, Wetherspoon (J.D.), BUILDING & CNSTRN (11), BLDG MATLS & MCHTS (5) CRH, Freeman, Heywood [illegible] Do. Prf., Tarmac, CHEMICALS (2) BTP, Manders, DISTRIBUTORS (13) DIVERSIFIED INDLS (5) Antofagasta, Powell Duffryn, Suter Warrants, Williams, Do. 5¾pc Cv. Prf., ELECTRNC & ELECT EQUP (9), ENGINEERING (15) ENG, VECHICLES (4) Caverdale, GKN, Laird, Syltone, EXTRACTIVE INDS (33) FOOD MANUF (5) Assoc. Brit. Foods, Banks (S. C.), Cadbury Schweppes, Greencore, Matthews (B), GAS DISTRIBUTION (1) Calor, HEALTH CARE (2) Quality Care Homes, Takare, HOUSEHOLD GOODS (3) Creighton Naturally, Osborne & Little, Portmeirion Potts., INSURANCE (4) Bradstock, Hiscox Select Ins., Independent Ins., PWS, INVESTMENT TRUSTS (110), INVESTMENT COMPANIES (9) LEISURE & HOTELS (3) Castle Comms., Granada, Rank Org., MEDIA (16), MERCHANT BANKS (1) Close Bros, OIL [illegible] & PROD (1) Europe Energy, OIL, INTEGRATED (1) Burmah Castrol, OTHER FINANCIAL (12) OTHER SERVS & BUSNS (5) Bertam, General Motors Units, [illegible] PAPER & PACKG (5), [illegible] (16) RETAILERS, FOOD (3) Fitzwilton, Park Food, Shoprite, RETAILERS, GENERAL (5) Allders, Moss Bros, Next, Smith (W. H.) 'B', Sothebys A, SPIRITS, WINES & CIDERS (1) Matthew Clark, SUPPORT SERVS (7) Hays, Lyno, Nesco, Page (M), Serco, Vega, Virtuality, TEXTILES & APPAREL (8) Allied Textile, British Mohair, Cassidy Bros., Helene, Jacques Vert, Yorklyde, TRANSPORT (7) Brit Airway Cap 9¾pc Cv., Eurotunnel Units, Do. Wts. 1993, Goode Durrant, Jacobs (J.I.), Tibbett & Britten, Vard, WATER (4) Chesm A, Do. B, East Surrey, York, SOUTH [illegible] (1).

NEW LOWS (27).

GILTS (7), [illegible] (1) ELECTRNC & ELECT EQUP (2) ENGINEERING (1) HEALTH CARE (1) INSURANCE (1) MEDIA (1) OIL EXPLORATION & PROD (2) OTHER FINANCIAL (1) [illegible] (1) PRTNG, PAPER & PACKG (1) RETAILERS, GENERAL (2) SUPPORT SERVS (1) TEXTILES & APPAREL (1) AMERICANS (3) SOUTH AFRICANS (1).

EQUITY FUTURES AND [illegible] TRADING

Stock index futures yesterday had rather less influence over underlying share prices than on the previous session, but suffered a further bout of selling pressure, *writes Terry Byland.*

As in previous sessions, the trend was somewhat erratic, but the March contract on the FT-SE 100 Index was finally dominated by a single determined seller.

The first few hours of trading went well, with the March contract at a premium of around 20 points to cash, against a fair value premium [illegible] at around 13 points. This provided opportunities for arbitraging, when the futures can be bought and the underlying [illegible]

But [illegible] operations [illegible] driven out [illegible] when [illegible] of the [illegible] emerged in the mid-morning. The [illegible] fell [illegible] and was briefly [illegible] a discount [illegible]

In [illegible] of attempted rallies, [illegible] of [illegible] day [illegible] a premium [illegible] only 9 points [illegible] the [illegible] index itself, [illegible] of [illegible] four points [illegible] fair value. Volume was fairly high [illegible] 15,761 [illegible] and [illegible] contract continued [illegible] ease in [illegible] trading.

[illegible] options had a busy [illegible], recording [illegible] contracts [illegible] 40,740 previously. Mirroring the stock market, the FT-SE [illegible] to 14,165 from Tuesday's [illegible]. The Euro FT-SE [illegible] reported 10,948 deals.

Among individual stock options, brokerage [illegible] provide [illegible] driving [illegible]. Both [illegible] (1,760 lots) [illegible] (1,565) [illegible] under [illegible] score. [illegible] (6,183) [illegible] the list.

■ FT-SE 100 INDEX FUTURES (LIFFE) £25 per full index point

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	3432.0	3367.0	-38.0	3442.0	3361.0	15761	[illegible]
Jun	3430.0	[illegible]	[illegible]	[illegible]	3412.0	165	[illegible]

Contract traded on APT. Open interest figures are for previous day.

■ FT-SE 100 INDEX OPTION (LIFFE) (*3380) £10 per full index point

[illegible]

■ EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

[illegible]

TRADING VOLUME

■ Major Stocks yesterday

[illegible]

FT - SE Actuaries Share Indices — The UK Series

[illegible]

■ FT-SE Actuaries All-Share

[illegible]

■ Hourly movements

[illegible]

■ FT-SE Actuaries 350 Industry baskets

[illegible]

LONDON EQUITIES

LIFFE EQUITY OPTIONS

[illegible]

TRADITIONAL OPTIONS

[illegible]

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	1	74	3
Other Fixed Interest	6	0	9
Mineral Extraction	84	30	80
General Manufactures	192	76	371
Consumer Goods	45	34	[illegible]
Services	188	63	287
Utilities	13	29	3
Financials	110	[illegible]	212
Investment Trusts	201	32	233
Others	43	56	[illegible]
Totals	883	443	[illegible]

Data [illegible] on those [illegible] listed on the London [illegible]

LONDON RECENT ISSUES: EQUITIES

Issue price p	[illegible] paid up	[illegible]	1993/94 High	Low	[illegible]	Close price p	+/-	Net div.	Div. [illegible]	[illegible]	P/E net
100	F.P.	53.3	102	100	[illegible] C	100½		-	-	-	-
100	F.P.	[illegible]	102	92	[illegible] Lloyds	95		-	-	-	-
230	F.P.	[illegible]	266	230	Azlan	265		L3.0	2.8	1.4	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	96	[illegible]	106		-	-	-	-
[illegible]											

RIGHTS OFFERS

[illegible]

FINANCIAL TIMES EQUITY INDICES

[illegible]

LONDON SHARE SERVICE

BANKS

Notes	Price	+ or –	1993/94 high	low	Mkt Cap£m	Yld Gr's	P/E
ABN Amro Fl	£25½	+⅛	£25¼	£18¼	7,070	4.1	13.5
ANZ A$	223	–2½	228½	130	2,917	4.1	Φ
Abbey National	493	–16	524	345	6,483	3.0	19.0
Allied Irish I£	300	+5	301	179	1,974	3.5	15.3
Anglo Irish I£	59xr	+3½	*69	28	143.8	7.1	Φ
Asahi Y	657	+4	844	415	16,243	0.7	–
Banco Bil Viz Pta	£18⅛	+¼	£17⅞	£13⅞	3,493	5.5	6.8
Banco Sant Pta	£31¼	+¼	£38	£24½	3,472	4.2	11.6
Bank Leumi (UK)	375	—	375	325	29.6	5.7	–
Bk Ireland I£	303	+9	*303	177	1,425	4.1	22.3
Bank Scotland	215	–5	240½	116½	2,498	2.7	29.2
9¼pc Pf	138½	–1	140¾	117¼	138.5	8.3	–
9¾pc Pf	146½	–1	147¼	123½	146.5	8.4	–
Barclays	614	–20	652	362	9,959	2.5	–
Dai Ichi Kan Y	1073	+5	1585	857	33,491	0.5	59.3
Deutsche DM	£340½	–2⅞	£348⅞	£250½	16,210	1.8	–
Espirito Santo	£23⅝	+½	£24	£16½	252.8	3.5	6.6
First Nat Fin	80½	+½	*95	45	98.9	1.0	–
6.3pc Cv Pf	78xd	—	*91	55	6.24	10.1	–
7pc Cv Pf	123xd	—	167½	108	58.4	7.1	–
Fuji Bank Y	1491	—	1651	876	40,585	0.4	–
HSBC HK	982	–3	1007	474	16,762	2.5	23.5
HSBC (75p Shs)	965	–7	987	490	7,922	2.6	23.1
Lloyds	642	–16	680	492	8,243	3.7	18.4
Mitsubishi Y	£15⅝	—	£18¼	£11⅛	44,985	0.3	–
Mits Tst & Bk Y	88⅞	–⅛	£10⅛	£4⅝	8,852	0.7	11.0
Mitsui Tst & Bk Y	514	–2	852	374	6,159	1.0	17.5
Nat Aust A$	567	+1	575	322	7,451	4.0	Φ
NatWest	598	–13	634	398	9,938	3.7	38.3
Ottomane FFr	£28¼	—	£28¼	£23¾	141.3	5.3	8.3
Ryl Bk Scotland	443	–11	470	207	3,517	3.1	20.0
Sakura Y	89¾	+⅛	£11	£5¼	28,995	0.6	54.6
Sanwa Y	£12⅞	+⅛	£16	£7¼	35,895	0.4	–
Standard Chartd	1225	–1	1263	576	2,919	2.1	–
Sumitomo Y	£11⅝	—	£16¼	£8⅞	38,511	0.5	25.0
Sumitomo Tst Y	£8⅝	+⅛	£9⅞	£4⅞	8,240	0.8	51.9
TSB	241	–2	280	145½	3,658	3.3	–
Tokai Y	£8⅞	—	£9⅞	£4⅞	13,983	0.8	45.9
Toyo Tst & Bk Y	599	+11	849	411	4,707	0.8	53.4
Westpac A$	211	—	214	121	3,699	2.6	Φ
Yasuda Tst Bk Y	445	+2	690	343	4,908	1.1	39.6

BREWERIES

Notes	Price	+ or –	1993/94 high	low	Mkt Cap£m	Yld Gr's	P/E
Ascot Hldgs	6	—	16½	4½	21.2	–	–
Bass	548	+7	647	441	4,786	4.5	14.9
Boddington	280	–6	289	189	337.7	3.4	16.3
Burtonwood	179	—	184	129	37.2	3.3	15.0
Eldridge,Pope A	142xd	—	145	75	27.6	3.1	Φ
Fosters A$	65	–1	70½	50	2,092	4.2	Φ
Fuller STA	425xd	—	435	335	88.3	2.2	18.2
Gibbs Mew	403	+5	403	149	25.9	2.6	19.8
Greenalls	468xd	–3	475	347	676.7	3.3	16.1

BUILDING & CONSTRUCTION

BUILDING MATERIALS & CNSTRN

BUILDING MATERIALS & CNSTRN - Cont.

CHEMICALS

DISTRIBUTORS

DIVERSIFIED INDUSTRIALS

ELECTRICITY

ELECTRONIC & ELECTRICAL EQPT

ELECTRONIC & ELECTRICAL EQPT - Cont.

ENGINEERING

ENGINEERING VECHICLES

EXTRACTIVE INDUSTRIES

FOOD MANUFACTURERS

GAS DISTRIBUTION

HEALTH CARE

HOUSEHOLD GOODS

INSURANCE

INVESTMENT TRUSTS

INVESTMENT TRUSTS - Cont.

LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

[illegible]

INVESTMENT COMPANIES

[illegible]

LEISURE & HOTELS

[illegible]

LEISURE & HOTELS - Cont.

[illegible]

LIFE ASSURANCE

[illegible]

MEDIA

[illegible]

MERCHANT BANKS

[illegible]

OIL EXPLORATION & PRODUCTION

[illegible]

OIL, INTEGRATED

[illegible]

OTHER FINANCIAL

[illegible]

OTHER SERVICES & BUSINESSES

[illegible]

PHARMACEUTICALS

[illegible]

PRINTING, PAPER & PACKAGING

[illegible]

PROPERTY

[illegible]

PROPERTY - Cont.

[illegible]

RETAILERS, FOOD

[illegible]

RETAILERS, GENERAL

[illegible]

SPIRITS, WINES & CIDERS

[illegible]

SPIRITS, WINES & CIDERS - Cont.

[illegible]

SUPPORT SERVICES

[illegible]

TELECOMMUNICATIONS

[illegible]

TEXTILES & APPAREL

[illegible]

TOBACCO

[illegible]

TRANSPORT

[illegible]

TRANSPORT - Cont.

[illegible]

WATER

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

SOUTH AFRICANS

	Notes	Price	+ or -	1993/94 high	low	Mkt Cap£m	Yld Gr's	P/E
Anglo Am Ind		£13½	......	£13½	27½	808.4	5.2	11.2
Barlow Rand		28½	-½	£10⅝	651½	1,689	4.1	ϕ
Gold Fields SA R		1788	-12	1800	725	1,729	2.3	29.5
MK Props		90	......	97	68	3.62	15.1	ϕ
SASOL	♥	391	-4	306	218	1,849	5.3	-
SA Brews		1480	-41	1521	753	6,005	1.9	24.8
Tiger Oats		813	......	813	513	1,221	2.0	17.2
Tongaat-Hulett	†	471xd	-1	472	212	392.5	3.2	13.1

GUIDE TO LONDON SHARE SERVICE

Company classifications are based on those used for the FT-Actuaries Indices and FT-Actuaries World Indices.

[illegible] are shown in pence unless otherwise stated [illegible] and lows [illegible] intra-day mid- prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted for a dividend tax credit of 20 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current pre-closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- Indicates the most actively traded st[illegible] includes UK stocks where transactions and prices are p[illegible] continuously through the Stock Exchange Automated Quotation [illegible] (SEAQ)
- * Highs and lows marked thus have be[illegible] adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ϕ Figures or report awaited
- ♥ Not officially UK listed; dealings perm[illegible] under rule 535(4)(a)
- ♣ Free annual/interim report available, [illegible] details below.
- USM; not listed on Stock Exchange a[illegible] company not subjected to same degree [illegible] tion as listed s[illegible] ties.
- Not officially U[illegible] dealings perm[illegible] under Rule 535(2)
- Price at time of [illegible] spension
- Indicated divi[illegible] yield after pending [illegible] rip and/or rights issue.
- Merger bid or [illegible] ganisation in progr[illegible]
- Forecast divi[illegible] yield, p/e based on [illegible] rnings updated by latest interim statem[illegible]
- ♠ Unregulated collective investment sc[illegible]

a Yield based on annualised dividend b Figures based on prospectus or other official estimates. c Cents. d [illegible] yield, p/e ratio based on latest annual earnings. u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings

y Not subject to [illegible]. z Dividend yield [illegible] ludes a special p[illegible] ment F Yield based on prospectus or o[illegible] official estimates [illegible] L Estimated annualised yield, p/e based on latest annual earnings. M Yield based on prospectus or other official estimates for

1993-94. H Figures based [illegible] "Headline Earnin[illegible]" P Figures based [illegible] prospectus or o[illegible] official estimates [illegible] 1994. xd ex dividend; xc ex scrip [illegible]; xr ex rights; xa ex all; xR ex capital distribution.

This service is available to companies [illegible] are regularly traded in the United Kingdom for a fee of [illegible] a year [illegible] security shown, subject to the Editor's di[illegible]

FT Free Annual Reports Service

You can obtain the current annual/interim report of any company annotated with ♣. Ring 081 770 0770 (open 24 hours including weekends) or fax 081 770 3822, quoting the code FT5041. [If calling from outside UK, dial +44 81 770 0770 or fax +44 81 770 3822] Reports will be sent the next working day, subject to availability. If faxing please remember to state the weekly changing FT code above and also your post code.

FT Cityline

Up-to-the-second share prices are available by telephone from the FT Cityline service. See Monday's share price pages for details.

An international service is available for callers outside the UK, annual subscription £250 stg.

Call 071-873 4378 (+44 71 873 4378, International) for more information on FT Cityline.

FT MANAGED FUNDS SERVICE

■ FT Citytine Unit Trust Prices are available over the telephone. Call the FT Citytine Help Desk on (071) 873 4378 for more details.

AUTHORISED UNIT TRUSTS

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (▼) - 0001 to 1100 hours; (♦) - 1101 to 1400 hours; (♦) - 1401 to 1700 hours; (♦) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point; a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation, Centre Point, 103 New Oxford Street, London WC1A 1QH Tel: 071-379-0444.

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

TSB Unit Trusts (1200)F

T.O. Fund Managers Limited (1200)H

INSURANCES

AXA Equity & Law Life Assce

Black Horse Life Assurance - Contd.

Britannia Life Assurance

Britannia Life Ltd

Canada Life Group

OTHER UK UNIT TRUSTS

FT MANAGED FUNDS SERVICE

■ FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 [redacted] more details.

Royal Heritage Life Assurance [redacted] - Contd.

Scottish Provident Group - Contd.

TSB Life Ltd

Scottish Widows' Group

Target Life Assurance Co Ltd

Royal Life Insurance Ltd

Royal Liver Assurance

Scottish Amicable

Scottish Equitable plc

Scottish Life Investments

Scottish Mutual Assurance plc

Scottish Provident Group

Skandia Life Assurance Co Ltd

Standard Life Assurance Company

Sun Alliance Group

Sun Life Unit Assurance Ltd

Swiss Life (UK) PLC

Templeton Life Assurance Limited

Tunbridge Wells Equitable

Wesleyan Assurance Society

Windsor Life Assur Co Ltd

Zurich Life Assurance Co Ltd

OFFSHORE INSURANCES

AXA Equity & Law Intl Life Assce Co

Allied Dunbar International Assurance Ltd

CIGI Insurance Co Ltd

Eagle Star Intl Life

Equitable Life (International)

Finsbury International Ltd

Hansard International Ltd

Isle of Man Assurance Ltd

Lombard International

Providence Capital International Ltd

Royal Life Intl. Ltd

Royal Skandia Life Assurance Ltd

Sun Alliance International Life

MANAGEMENT SERVICES

Capital Trust Financial Management

Chase de Vere PLC

Century Life International Ltd

Johnson Fry Asset Managers PLC

Marsh Financial Management PLC

Charles Stanley & Co Ltd

United Financial Corporation Ltd

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Fidelity Money Funds

Newport Investment Management

Orion Fund Limited

CANADA (SIB RECOGNISED)

GUERNSEY (SIB RECOGNISED)

GUERNSEY (REGULATED)(**)

Rothschild Asset Management (CI) Ltd

Royal Bank of Canada Offshore Fd Mgrs Ltd

Sarasin Funds Mangt (Guernsey) Ltd

IRELAND (SIB RECOGNISED)

IRELAND (REGULATED)(**)

ISLE OF MAN (SIB RECOGNISED)

ISLE OF MAN (REGULATED)(**)

JERSEY (SIB RECOGNISED)

JERSEY (REGULATED)(**)

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

	Bid Price	Offer Price	+ or -	Yield Gross
Citibank - Contd.				
Citibank N.A.				
Libra 2000 Oct 31		$130.29	—	—
Libra 2000 (a) Oct 31		$130.28	—	—
Coutts & Co (Jersey) Fund Managers Ltd				
EBC Fund Managers (Jersey) Ltd				
Income	$14.48	14.924	—	1.39
Capital	$22.80	22.624	—	—
Fleming Group				
Foreign & Colonial Mngmt (Jersey) Ltd				
US$ Cash		$11.167	+0.003	—
Sterling Cash		£10.310	+0.001	—
US$ Bonds		$16.995	-0.014	—
Sterling Bonds		£17.757	-0.044	—
D Mark Bonds		DM12.990	-0.012	—
European Bonds		Ecu14.901	-0.017	—
UK Equities		£14.125	-0.025	—
US Equities		$18.607	-0.065	—

	Init Chge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
CMI Asset Management - Contd.						
UK Equity		£-	7.451		+0.038	1.60
US Equity		$-	14.139		+0.039	1.03
Commercial Union Luxembourg SA (a)						

	Init Chge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
Lloyds Bank Luxembourg						
1, Rue Schiller, Luxembourg						
Lloyds International Portfolio						
Canadian Dollar Bds		C$-	140.98	144.15	—	—
Swiss Franc Bonds		SFr-	127.09		—	—
Deutsche Mark Bonds		DM-	135.00		—	—
French Franc Bonds		FFr-	146.05		—	—
Sterling Bonds		£-	149.29		—	—
Yen Bonds		Y-	12846		—	—
Dutch Guilder Bonds		Dfl-	135.81		—	—
US Dollar Bonds		$-	128.72		—	—
ECU Bonds		Ecu-	144.03	147.27	—	—
Multicurrency Bond		$-	119.42	122.11	—	—
Europe Equity		Ecu-	127.67	130.54	—	—
Japan Equity		Y-	8068	8361	—	—
North America Equity		$-	102.80	105.22	—	—
Pacific Equity		$-	203.29	207.86	—	—
Smaller Cos		$-	22.54	23.05	—	—
UK Equities		£-	148.77	152.12	—	—
World Equity		$-	117.48	120.12	—	—
Gold		$-	135.00	138.05	—	—
Convertible		$-	145.57	148.85	—	—
Warrant		$-	78.15	79.91	—	—
Midland Internatinal Circuit Fund SICAV(a)						
Nomura Global Fund (a)						

LUXEMBOURG (SIB RECOGNISED)

LUXEMBOURG (REGULATED)(**)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

MANAGED FUNDS NOTES

CURRENCIES AND MONEY

MARKETS REPORT

Bentsen checks $-yen

Officials' statements, rather than government statistics, dominated trading on money markets yesterday in the absence of significant fresh [illegible] data, [illegible] *Gillian* [illegible]

A speech from Mr Lloyd Bentsen, US Treasury secretary, deploring the yen's slide, focused market attention around the politically sensitive yen-dollar rate. But, with the Bundesbank council meeting today, the possibility [illegible] German interest rate cuts continued [illegible] undermine [illegible] D-Mark's ailing fortunes.

● Following recent rapid dollar gains, the yen staged a [illegible] recovery yesterday [illegible] Mr Bentsen's carefully timed intervention. Speaking in Washington, Mr [illegible] said that "allowing the [illegible] slide" was [illegible] "an acceptable way out [illegible] recession for Japan".

[illegible] comments pushed the [illegible] briefly down to Y112.2, from Tuesday's close of Y113.2. However it later rallied, closing in London at Y112.8.

The yen's [illegible] sustain [illegible] initial [illegible] against [illegible] dollar [illegible] unexpected, dealers [illegible]. The [illegible] resilience at Y112.1 suggested [illegible] US currency remained well supported, they [illegible].

"The [illegible] a knee jerk reaction. [illegible] then it [illegible] looking a bit softer," explained Mr Stephen King, deputy [illegible] economist of James Capel. [illegible] the Japanese trade surplus was already declining, Mr Bentsen's [illegible] would not have [illegible] impact [illegible] his [illegible] year, he noted.

But, [illegible] Mr Neil [illegible], [illegible] economist at Citibank, pointed out, [illegible] US [illegible] Japanese government [illegible] difficult [illegible].

Though [illegible] appreciation of the [illegible] was central [illegible] US policy [illegible] year, [illegible] severity [illegible] the [illegible] in Japan [illegible] likely [illegible] a further weakening of [illegible] yen – Mr [illegible] himself, using OECD figures, calculates that without new fiscal policies [illegible] will [illegible] depreciate [illegible] Y130 against the dollar [illegible] coming [illegible] there could [illegible] any "kickstarting" of [illegible] Japanese economy.

The fact that [illegible] market is currently underweight in [illegible] might provide a small [illegible]tive factor. But the Japanese government's failure to implement [illegible] fresh fiscal policies [illegible] likely [illegible] remain a major [illegible] concern on the currency [illegible]. The US [illegible] trying [illegible] put [illegible] on Japan "to [illegible] together" on fresh fiscal policies, [illegible] said.

■ Amid [illegible] speculation about the likelihood [illegible] rate cuts today, a [illegible] from Mr Hans-Juergen [illegible]nick, a [illegible] Bundesbank Central Council, criticising [illegible] high level [illegible] German [illegible] a key factor influencing [illegible] trade in dollar against [illegible] D-Mark. Speaking on German radio, Mr Koebnik [illegible] a "significant" [illegible] in German [illegible] was likely this year.

The comments pushed [illegible] dollar higher, cancelling [illegible] early D-Mark losses. [illegible] finally closed [illegible] DM1.7399, little changed [illegible] previous day.

[illegible] German [illegible] faltering, [illegible] remain [illegible] irrespective [illegible] whether [illegible] Bundesbank cuts rates today. Although [illegible] German unemployment figures for December published yesterday [illegible]ginally better than expected, worse-than-expected industry order data, showing [illegible] fall in orders in November, again underlined [illegible] recessionary [illegible] of the German economy.

● Meanwhile, hopes of a German [illegible] rate cut [illegible] boosted slightly yesterday when two European banks slightly reduced their [illegible]. The Central Bank of Denmark shaved [illegible] of a percentage point [illegible] its [illegible] and key [illegible] bringing them to 6 per cent, the ninth such cut since August.

The [illegible] National [illegible] cut [illegible] own GOMEX [illegible] by 10 basis points [illegible] per cent, effective Friday, opening up [illegible] differential between [illegible] equivalent German [illegible] to the highest since June.

Dealers suggested that if the Bundesbank cut rates today [illegible] of Denmark might cut [illegible] in light [illegible] today's holiday in [illegible] German states, the market suspicion [illegible] that the most likely reduction will [illegible] come [illegible] the [illegible] next week.

The Bundesbank [illegible] hint [illegible] intentions by allotting DM97.4bn [illegible] securities repurchase [illegible] at a fixed rate of [illegible] per cent. This was [illegible] of a [illegible] announced in December.

■ Meanwhile, in England scepticism [illegible] the prospect of a British [illegible] cut is gather[illegible] after a comment [illegible] Nicholas Goodison, TSB chairman. Sir Nicholas said that now [illegible] British economy [illegible] recovering "there will be pressure [illegible] reduce interest rates. But this should be resisted."

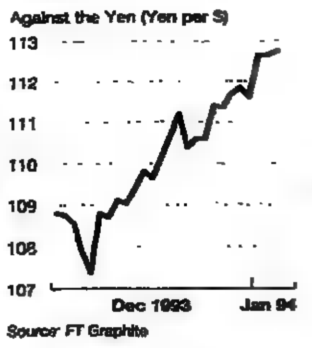
[illegible] scepticism [illegible] echoed on [illegible] futures market, where both March and June dated [illegible] sterling contract yesterday fell slightly. The March contract closed at 94.72, down from an [illegible] position of 94.76.

Meanwhile, the pound held on to [illegible] of [illegible] gains in [illegible] days closing [illegible] DM2.586, almost one pfennig up on its previous day's close of DM2.578.

● [illegible] Spanish currency [illegible]ered yesterday to its lowest level since A[illegible]t 16, closing [illegible] Pta83.18, from the previous day's [illegible]. [illegible] prospect of a general strike scheduled for the end of the month, coupled with fears about the rising Spanish inflation, was likely to weaken the peseta further, dealers said.

Dollar

Against the Yen (Yen per $)



Source: FT Graphite

■ **Pound in New York**

[illegible]	---Latest---	--[illegible] close--
£ spot	1.4890	[illegible]
1 mth	1.4861	[illegible]
[illegible] mth	1.4814	[illegible]
1 yr	1.4695	[illegible]

POUND SPOT FORWARD AGAINST THE POUND

Jan 5		Closing mid-point	Change on day	[illegible] spread	Day's Mid high	Day's Mid low	One month [illegible]	One month %PA	Three months [illegible]	Three months %PA	One year [illegible]	One year [illegible]	Bank of Eng. [illegible]
Europe													
Austria	(Sch)	[illegible]	[illegible]	649 - 809	[illegible]	[illegible]	[illegible]	-0.2	[illegible]	-0.3	-	-	113.6
Belgium	(BFr)	53.6721	+0.0594	297 - 145	53.7272	53.5098	53.7421	-1.6	[illegible]	-1.5	54.0971	-0.8	113.3
Denmark	(DKr)	[illegible]	-0.0031	387 - 508	10.0619	10.0069	[illegible]	-1.8	[illegible]	-1.6	10.1401	-0.9	115.4
[illegible]	(FM)	8.5454	-0.0229	385 - 622	8.6008	8.5266	-	-	-	-	-	-	[illegible]
[illegible]	(FFr)	[illegible]	+0.0183	696 - 767	8.7770	8.7389	8.7811	-1.1	[illegible]	-0.9	[illegible]	-0.3	[illegible]
Germany	(DM)	[illegible]	+0.0079	849 - 872	[illegible]	[illegible]	[illegible]	-0.6	2.[illegible]	-0.5	[illegible]	-0.1	[illegible]
[illegible]	[illegible]	[illegible]	+0.531	757 - 675	371.675	[illegible]	-	-	-	-	-	-	-
Ireland	(I£)	1.0418	-0.0057	412 - 424	[illegible]	[illegible]	1.0427	-1.0	1.0443	-1.0	[illegible]	[illegible]	[illegible]
Italy	[illegible]	[illegible]	[illegible]	654 - 921	2525.71	[illegible]	[illegible]	-2.9	2536.08	-2.9	[illegible]	-2.5	76.5
Luxembourg	(LFr)	53.6721	+0.0594	297 - 145	53.7272	[illegible]	53.7421	-1.6	[illegible]	-1.5	[illegible]	-0.8	113.3
[illegible]	(Fl)	[illegible]	+0.0095	895 - 925	2.8331	[illegible]	2.8912	-0.1	2.8916	-0.1	[illegible]	[illegible]	[illegible]
Norway	(NKr)	11.1506	[illegible]	443 - 569	11.1629	11.1062	11.1665	-1.7	11.1644	-0.5	[illegible]	0.0	85.2
Portugal	[illegible]	262.204	+0.239	130 - 477	[illegible]	261.333	263.609	-6.4	266.319	-6.1	-	-	-
Spain	(Pta)	215.149	+2.132	024 - 274	215.355	[illegible]	215.349	-3.3	216.979	-3.4	221.264	-2.8	83.3
Sweden	(SKr)	12.2104	-0.0334	001 - 207	12.3056	12.1375	12.2359	-2.5	12.2659	-1.[illegible]	12.3864	-1.4	75.1
Switzerland	(SFr)	[illegible]	-0.0023	985 - 011	2.2545	2.1902	2.1973	1.4	2.1926	1.[illegible]	2.1677	1.5	116.7
UK	(£)	-	-	-	-	-	-	-	-	-	-	-	[illegible]
[illegible]	-	1.3316	+0.0035	307 - 325	1.3332	1.3276	1.3327	-1.0	1.3347	-0.9	1.3368	-0.4	-
SDR†	-	[illegible]	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	1.[illegible]	+0.0043	829 - 837	1.4858	1.[illegible]783	-	-	-	-	-	-	-
Brazil	(Cr)	[illegible]	[illegible]	930 - 194	509.000	499.000	-	-	-	-	-	-	-
Canada	[illegible]	[illegible]	+0.0043	541 - 553	[illegible]	[illegible]	1.9519	1.9	1.9475	1.5	[illegible]	[illegible]	[illegible]
Mexico	(New Peso)	4.6151	[illegible]	125 - 177	4.6232	[illegible]	-	-	-	-	-	-	-
USA	[illegible]	1.4864	+0.0045	860 - [illegible]	[illegible]	1.4817	1.4854	2.4	1.4789	2.0	[illegible]	1.3	[illegible]
Pacific/Middle [illegible]													
Australia	(A$)	[illegible]	-0.0013	615 - 640	2.1711	2.1568	[illegible]	1.1	[illegible]	0.7	[illegible]	[illegible]	-
Hong Kong	[illegible]	11.4791	+0.0332	756 - 825	11.4973	11.[illegible]	11.4565	2.4	11.4239	1.9	11.3443	1.2	-
India	[illegible]	[illegible]	[illegible]	121 - 415	[illegible]	[illegible]	-	-	-	-	-	-	-
Japan	(Y)	[illegible]	-0.078	502 - 700	168.510	166.890	167.146	3.3	[illegible]	[illegible]	[illegible]	[illegible]	174.8
Malaysia	(M$)	3.9061	+0.0014	037 - 085	3.9129	3.8735	-	-	-	-	-	-	-
New Zealand	(NZ$)	2.6471	+0.012	441 - 501	[illegible]	[illegible]	[illegible]	-1.6	[illegible]	[illegible]	[illegible]	[illegible]	-
Philippines	(Peso)	41.1720	+0.1246	650 - 789	40.7413	41.2534	-	-	-	-	-	-	-
Saudi Arabia	(SR)	5.5738	+0.0168	721 - 754	5.5826	5.5567	-	-	-	-	-	-	-
Singapore	(S$)	2.3771	-0.0094	758 - 784	[illegible]1	2.3722	-	-	-	-	-	-	-
S Africa (Com.)	(R)	5.0502	+0.0056	479 - 525	5.0583	5.0379	-	-	-	-	-	-	-
S Africa (Fin.)	(R)	6.4620	+0.0233	530 - 709	6.5034	6.4353	-	-	-	-	-	-	-
South Korea	(Won)	1207.44	+5.77	678 - 809	1209.35	[illegible]	-	-	-	-	-	-	-
Taiwan	(T$)	39.5221	+0.0678	384 - 057	[illegible]	[illegible]	-	-	-	-	-	-	-
Thailand	(Bt)	38.0060	+0.0261	822 - 298	38.0540	37.9020	-	-	-	-	-	-	-

†SDR rate for Dec 31. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling index calculated by the Bank of England. Base average 1985 = 100.
Bid, Offer and Mid-rates in both this and the Dollar Spot tables derived from THE WM/REUTERS CLOSING SPOT RATES. Some values are rounded by the F.T.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

[illegible]		Closing mid-point	Change on day	[illegible]	Day's mid high	Day's mid low	One month [illegible]	One month [illegible]	Three months [illegible]	Three months [illegible]	One year [illegible]	One year [illegible]	Morgan G'ty [illegible]
[illegible]													
[illegible]	(Sch)	[illegible]	[illegible]	240 - 290	[illegible]	[illegible]	[illegible]	-2.5	[illegible]	-2.1	[illegible]	-1.3	[illegible]
Belgium	(BFr)	[illegible]	-0.0695	900 - 300	[illegible]	[illegible]	36.23	-4.0	[illegible]	-3.5	[illegible]	-2.1	103.2
[illegible]	(DKr)	[illegible]	[illegible]	555 - 605	[illegible]	[illegible]	[illegible]	-4.0	[illegible]	-3.3	[illegible]	-2.1	[illegible]
[illegible]	(FM)	5.7492	-0.0329	392 - 592	5.7910	[illegible]	[illegible]	-2.7	[illegible]	-2.2	[illegible]	-1.4	[illegible]
France	(FFr)	5.9025	-0.0056	015 - 035	[illegible]	[illegible]	[illegible]	-3.5	[illegible]	-2.9	[illegible]	-1.7	[illegible]
Germany	(D)	[illegible]	[illegible]	385 - 402	[illegible]	1.7317	1.7443	-3.0	[illegible]	-2.8	[illegible]	-1.4	[illegible]
Greece	[illegible]	[illegible]	-0.4	[illegible]	250.000	[illegible]	253.5	-18.0	[illegible]	-18.1	[illegible]	-17.4	71.9
Ireland	[illegible]	1.4267	[illegible]	262 - 272	1.4415	1.4154	[illegible]	3.4	1.4163	2.9	[illegible]	[illegible]	-
Italy	(L)	[illegible]	-2.58	350 - 450	[illegible]	1687.54	1701.65	-5.4	1714.9	-4.9	[illegible]	-3.8	77.1
Luxembourg	(LFr)	[illegible]	-0.0695	900 - 300	[illegible]	36.0600	[illegible]	-4.0	[illegible]	-3.5	36.88	-2.1	[illegible]
[illegible]	(Fl)	1.9450	-0.0002	445 - 455	1.9474	[illegible]	[illegible]	-2.4	1.9543	-1.9	[illegible]	-1.0	[illegible]
Norway	(NKr)	[illegible]	[illegible]	995 - 045	7.5220	7.4840	[illegible]	-3.2	[illegible]	-2.5	[illegible]	-1.6	[illegible]
Portugal	[illegible]	176.475	[illegible]	400 - 550	[illegible]	176.300	177.73	-8.5	[illegible]	-7.8	[illegible]	-6.3	[illegible]
Spain	[illegible]	144.750	+1	700 - 800	144.800	143.480	145.515	-6.3	146.73	-5.5	[illegible]	-4.2	[illegible]
[illegible]	(SKr)	8.2150	[illegible]	100 - 200	[illegible]	8.1630	8.2475	-4.7	[illegible]	[illegible]	[illegible]	-2.7	[illegible]
[illegible]	(SFr)	[illegible]	[illegible]	795 - 805	1.4855	1.4755	1.4812	-1.0	[illegible]	-0.7	[illegible]	[illegible]	103.0
UK	(£)	[illegible]	+0.0045	860 - 867	[illegible]	1.4817	[illegible]	2.4	1.4789	2.0	[illegible]	1.3	[illegible]
Ecu	-	1.1162	+0.0004	157 - 167	1.1187	1.1147	1.1131	3.4	[illegible]	2.9	1.0973	1.7	-
SDR†	-	1.36840	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	[illegible]	[illegible]	979 - 980	[illegible]	0.9979	-	-	-	-	-	-	-
Brazil	[illegible]	341.815	+5.346	[illegible] - 820	341.840	[illegible]	-	-	-	-	-	-	-
[illegible]	(C$)	1.3153	[illegible]	150 - 155	1.3182	1.3113	[illegible]	-0.5	[illegible]	-0.5	[illegible]	-0.4	[illegible]
[illegible]	(New Peso)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	3.1067	-0.7	[illegible]	-0.7	[illegible]	[illegible]	-
[illegible]	($)	-	-	-	-	-	-	-	-	-	-	-	[illegible]
[illegible]													
Australia	(A$)	1.4551	[illegible]	546 - 556	[illegible]	1.4535	[illegible]	-1.0	[illegible]	-1.2	1.4674	-0.8	[illegible]
Hong Kong	[illegible]	7.7230	-0.001	225 - 235	7.7249	7.7225	7.7265	-0.5	7.7295	-0.3	[illegible]	-0.2	-
[illegible]	[illegible]	31.3700	[illegible]	675 - 725	31.3725	[illegible]	31.45	-3.1	31.656	-3.6	-	-	-
Japan	[illegible]	112.780	[illegible]	[illegible]	113.580	112.360	112.665	[illegible]	112.415	1.2	[illegible]	[illegible]	137.7
Malaysia	(M$)	[illegible]	[illegible]	270 - 290	[illegible]	2.6070	[illegible]	-1.4	[illegible]	-1.7	2.6805	-2.0	-
New Zealand	[illegible]	1.7810	+0.0027	794 - 825	1.7867	1.7784	[illegible]	-0.9	[illegible]	-1.0	[illegible]	-0.7	-
Philippines	[illegible]	27.7000	-	000 - 000	27.9000	27.5000	-	-	-	-	-	-	-
Saudi Arabia	(SR)	3.7500	-	497 - 502	3.7502	[illegible]	3.7569	-2.7	3.77	-2.1	3.79	-1.1	-
Singapore	(S$)	1.5993	-0.0112	988 - 998	1.6082	1.5980	[illegible]	1.3	1.5956	0.9	[illegible]8	-0.2	-
S Africa (Com.)	(R)	3.3978	-0.0065	[illegible]	3.4040	3.3970	3.4141	-5.8	3.4431	-5.3	[illegible]	-4.6	-
S Africa (Fin.)	(R)	4.3475	+0.0025	425 - 525	4.3800	4.3350	4.3745	-7.5	4.4325	-7.8	-	-	-
South Korea	(Won)	812.350	+2.1	[illegible]	812.600	810.600	815.35	-4.4	818.85	-3.2	837.35	-3.1	-
Taiwan	(T$)	26.5800	-0.035	400 - 400	26.6400	26.6000	26.6489	-2.7	26.77	-2.7	-	-	-
[illegible]	(Bt)	25.5700	-0.06	[illegible] - 800	25.6900	25.5500	25.5975	-1.3	25.845	-1.2	26.095	-2.1	-

†SDR rate for Jan 4. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Morgan Guaranty Changes shown for Jan 4. Base average 1980=100

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Jan.5		BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	£	C$	$	Y	Ecu
Belgium	(BFr)	100	16.71	16.35	4.818	1.941	[illegible]	[illegible]	20.78	488.7	400.[illegible]	22.75	4.097	1.863	[illegible]	2.769	312.3	2.482
Denmark	[illegible]	53.46	10	[illegible]	[illegible]	[illegible]	2508	2.879	11.11	261.3	214.2	[illegible]	[illegible]	[illegible]	1.947	1.480	166.9	1.327
France	[illegible]	61.18	11.44	10	2.948	1.188	[illegible]	3.295	12.71	299.0	245.2	13.92	2.507	1.140	2.226	1.694	191.0	1.518
Germany	(DM)	20.75	3.882	3.392	1	[illegible]	973.7	1.118	4.312	101.4	[illegible]	[illegible]	[illegible]	[illegible]	0.756	0.575	64.81	0.515
Ireland	[illegible]	51.51	9.635	[illegible]	[illegible]	1	2417	2.774	10.70	251.7	206.4	11.72	2.110	[illegible]	1.876	1.428	160.8	[illegible]
Italy	(L)	2.131	0.399	[illegible]	[illegible]	0.041	100.	0.115	0.443	10.42	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.053
Netherlands	[illegible]	18.56	3.473	[illegible]	[illegible]	0.360	[illegible]	1	3.857	90.73	[illegible]	[illegible]	0.761	[illegible]	[illegible]	0.514	57.97	0.461
Norway	[illegible]	48.13	9.004	[illegible]	2.319	0.935	[illegible]	[illegible]	10	235.2	[illegible]	[illegible]	1.972	0.897	1.753	1.333	150.3	1.195
Portugal	[illegible]	20.46	3.826	3.345	[illegible]	[illegible]	[illegible]	1.102	4.251	100.	[illegible]	[illegible]	[illegible]	0.381	0.745	0.567	[illegible]	[illegible]
Spain	[illegible]	24.95	4.668	[illegible]	1.202	[illegible]	1171	1.344	5.184	121.9	[illegible]	[illegible]	[illegible]	0.465	0.909	0.691	77.92	0.619
Sweden	[illegible]	43.96	8.223	[illegible]	2.118	[illegible]	[illegible]	[illegible]	9.132	214.8	176.2	10	[illegible]	[illegible]	[illegible]	1.217	137.3	1.091
Switzerland	[illegible]	24.41	4.566	3.990	1.175	0.474	1145	1.315	5.070	119.3	97.82	[illegible]	1	[illegible]	[illegible]	0.676	76.22	[illegible]
UK	[illegible]	53.67	10.04	[illegible]	[illegible]	1.042	[illegible]	[illegible]	11.15	262.3	215.1	12.21	[illegible]	1	[illegible]	[illegible]	167.6	1.332
Canada	[illegible]	27.45	5.136	4.487	1.323	[illegible]	[illegible]	1.479	5.702	134.2	110.0	[illegible]	1.125	[illegible]	1	[illegible]	85.73	0.681
US	[illegible]	36.12	6.756	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	7.503	176.5	[illegible]	8.217	[illegible]	[illegible]	1.316	1	112.8	0.896
Japan	[illegible]	320.2	59.90	[illegible]	[illegible]	[illegible]	15024	[illegible]	66.53	1565	[illegible]	72.86	[illegible]	[illegible]	11.66	8.866	1000.	[illegible]
Ecu		40.29	[illegible]	[illegible]	1.941	[illegible]	[illegible]	[illegible]	8.371	196.9	[illegible]	[illegible]	1.851	0.751	[illegible]	1.116	125.8	1

Yen per 1,000; Danish Kroner, French Franc, Norwegian Kroner and Swedish Kronor per 10; Belgian Franc, Escudo, Lira and Peseta per 100.

■ **D-MARK FUTURES** (IMM) DM 125,000 per [illegible]

	Open	[illegible]	Change	High	Low	Est. vol	Open int.
Mar	0.5729	0.5722	[illegible]	0.5740	[illegible]	[illegible]	[illegible]
Jun	[illegible]	[illegible]	-0.0003	0.5706	0.5692	710	[illegible]
Sep	-	-	-	-	-	-	-

■ **JAPANESE YEN FUTURES** (IMM) Yen 12.5 per Yen 100

	Open	[illegible]	Change	High	Low	Est. vol	Open int.
Mar	0.8896	0.8874	[illegible]	[illegible]	0.8818	[illegible]	[illegible]
Jun	0.8901	[illegible]	-0.0022	[illegible]	[illegible]	622	[illegible]
Sep	-	0.8986	[illegible]	-	-	[illegible]	195

■ **SWISS FRANC FUTURES** (IMM) SFr 125,000 per SFr

	Open	[illegible]	Change	High	Low	Est. vol	Open int.
Mar	0.6735	[illegible]	[illegible]	[illegible]	0.6725	[illegible]	[illegible]
Jun	0.6753	[illegible]	[illegible]	0.6760	[illegible]	33	[illegible]
Sep	-	[illegible]	[illegible]	-	-	2	[illegible]

■ **STERLING FUTURES** [illegible] per £

	Open	[illegible]	Change	High	Low	Est. vol	Open int.
Mar	[illegible]	[illegible]	-0.0020	[illegible]	[illegible]	11,739	[illegible]
Jun	-	1.4720	-	-	1.4680	5	917
Sep	[illegible]	[illegible]	-0.0018	[illegible]	[illegible]	-	-
Dec		1.4640			1.4640		

EMS EUROPEAN CURRENCY UNIT RATES

Jan 5	Ecu cen. [illegible]	Rate against Ecu	Change on day	% +/- from [illegible]	[illegible] v weakest	[illegible] ind.
[illegible]	0.808628	0.779312	-0.007253	-3.63	[illegible]	[illegible]
[illegible]	2.19672	[illegible]	[illegible]	-1.24	6.41	-
[illegible]	1.94964	[illegible]	[illegible]	-0.50	4.62	-
Belgium	40.2123	[illegible]	-0.1290	0.20	[illegible]	-1
France	[illegible]	[illegible]	[illegible]	0.86	3.40	-6
[illegible]	7.43679	7.54351	-0.0171	1.44	2.63	-10
Portugal	192.854	195.885	-0.139	2.08	1.97	-14
[illegible]	154.250	160.578	[illegible]	4.10	0.00	-29
NON ERM MEMBERS						
[illegible]	264.513	278.917	+0.655	5.45	-1.27	-
Italy	1793.19	[illegible]	-9.15	5.31	-1.15	-
UK	0.786749	0.[illegible]	[illegible]	-4.38	8.87	-

Ecu central rates set by the European Commission. Currencies are in descending relative [illegible]. Percentage changes are for Ecu, a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage [illegible] between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation [illegible] currency's market rate from its Ecu central rate.
(17/9/92) Sterling and Italian Lira suspended from ERM. Adjustment calculated by the Financial Times.

■ **PHILADELPHIA SE £/$ OPTIONS** £31,250 (cents per pound)

Strike Price	Calls Jan	Calls Feb	Calls Mar	Puts Jan	Puts Feb	Puts Mar
1.400	8.00	7.82	8.08	-	0.10	0.50
1.425	5.57	5.63	6.09	-	0.35	0.96
1.450	3.19	3.72	4.34	0.09	0.86	1.70
1.475	1.33	2.20	2.89	0.60	1.81	2.89
1.500	0.32	1.16	1.86	2.09	3.21	4.10
1.525	0.02	0.53	1.12	4.21	5.07	5.83

Previous day's vol., Calls 16,272 Puts 24,981. Prev. day's open int., Calls 516,165 Puts 436,647

WORLD INTEREST RATES

MONEY RATES

[illegible]

EURO CURRENCY INTEREST RATES

[illegible]

■ THREE MONTH PIBOR FUTURES (MATIF) Paris interbank offered rate

[illegible]

■ THREE MONTH EURODOLLAR (LIFFE) $1m points of 100%

[illegible]

■ THREE MONTH EUROMARK FUTURES (LIFFE) [illegible] points of 100%

[illegible]

■ THREE MONTH EUROLIRA INT.RATE FUTURES (LIFFE) L1000m points of 100%

[illegible]

■ THREE MONTH EURO SWISS FRANC FUTURES (LIFFE) SFr1m points of 100%

[illegible]

■ THREE MONTH ECU FUTURES (LIFFE) Ecu1m points of 100%

[illegible]

■ THREE MONTH EURODOLLAR (IMM) $1m points of 100%

[illegible]

■ US TREASURY BILL FUTURES (IMM) $1m per 100%

[illegible]

■ EUROMARK OPTIONS (LIFFE) DM1m points of [illegible]

[illegible]

■ EURO SWISS FRANC OPTIONS (LIFFE) SFr 1m points of 100%

[illegible]

UK INTEREST RATES

LONDON MONEY RATES

Jan 5	[illegible] night	7 days notice	One [illegible]	Three [illegible]	Six [illegible]	[illegible] year
Interbank Sterling	$6\frac{1}{4}$ - $5\frac{1}{4}$	$5\frac{5}{8}$ - $5\frac{1}{2}$	[illegible]	[illegible]	[illegible]	[illegible]
Sterling CDs	-	-	[illegible]	[illegible]	[illegible]	[illegible]
Treasury Bills	-	-	[illegible]	[illegible]	-	-
Bank Bills	-	-	[illegible]	[illegible]	[illegible]	-

[illegible]

■ THREE MONTH STERLING FUTURES (LIFFE) £500,000 points of 100%

[illegible]

■ SHORT STERLING OPTIONS (LIFFE) £500,000 points of 100%

Strike Price	Calls Mar	Calls Jun	Calls Sep	Puts Mar	Puts Jun	Puts Sep
9450	[illegible]	0.47	0.60	0.05	0.[illegible]	0.13
9475	0.11	0.29	0.42	[illegible]	0.16	0.20
9500	0.04	0.17	[illegible]	0.33	0.29	0.31

Est. vol. total, Calls 9040 Puts 3723. Previous day's open int., Calls 103103 Puts [illegible]

BASE LENDING RATES

	%
Adam & Company	5.5
Allied Trust Bank	5.5
AIB Bank	5.5
●Henry Ansbacher	5.5
Bank of Baroda	5.5
Banco Bilbao Vizcaya	5.5
Bank of Cyprus	5.5
Bank of Ireland	5.5
Bank of India	5.5
Bank of Scotland	5.5
Barclays Bank	5.5
Brit Bk of Mid East	5.5
●Brown Shipley	5.5
CL Bank Nederland	5.5
Citibank NA	5.5
City Merchants Bank	5.5
Clydesdale Bank	5.5
The Co-operative Bank	5.5
Coutts & Co	5.5
Credit Lyonnais	5.5
Cyprus Popular Bank	5.5
Duncan Lawrie	5.5
Exeter Bank Limited	6.5
Financial & Gen Bank	6
●Robert Fleming & Co	5.5
Girobank	5.5
●Guinness Mahon	5.5
Habib Bank AG Zurich	5.5
●Hambros Bank	5.5
Heritable & Gen Inv Bk.	5.5
●Hill Samuel	5.5
C. Hoare & Co	5.5
Hongkong & Shanghai.	5.5
Julian Hodge Bank	5.5
●Leopold Joseph & Sons	5.5
Lloyds Bank	5.5
Meghraj Bank Ltd	5.5
Midland Bank	5.5
* Mount Banking	6
NatWestminster	5.5
●Rea Brothers	5.5
* Roxburghe Bank Ltd is no longer authorised as a banking institution.	8
Royal Bk of Scotland	5.5
●Smith & Williamson Secs.	5.5
Standard Chartered	5.5
TSB	5.5
●United Bk of Kuwait	5.5
Unity Trust Bank Plc	5.5
Western Trust	5.5
Whiteaway Laidlaw	5.5
Wimbledon & Sth West.	7
Yorkshire Bank	5.5

● Members of [illegible] & Securities [illegible]
* In [illegible]

MONEY MARKET FUNDS

Money Market Trust Funds

[illegible]

Money Market Bank Accounts

[illegible]

هكذا اصله الاصل

WORLD STOCK MARKETS

EUROPE

AUSTRIA (Jan 5 / Sch)

BELGIUM/LUXEMBOURG (Jan 5 / Frs.)

DENMARK (Jan 5 / Kr)

FINLAND (Jan 5 / Mkk)

FRANCE (Jan 5 / Frs.)

GERMANY (Jan 5 / Dm.)

ITALY (Jan 5 / Lire)

NETHERLANDS (Jan 5 / Fls.)

NORWAY (Jan 5 / Kroner)

SPAIN (Jan 5 / Pts)

SWEDEN (Jan 5 / Kronor)

SWITZERLAND (Jan 5 / Frs.)

PACIFIC

JAPAN (Jan 5 / Yen)

HONG KONG (Jan 5 / H.K.$)

MALAYSIA (Jan 5 / MYR)

SINGAPORE (Jan 5 / S$)

AUSTRALIA (Jan 5 / Aust$)

NORTH AMERICA

CANADA

TORONTO (Jan 5 / Can $)

4 pm close

MONTREAL (Jan 5 / Can $)

4 pm close

AFRICA

SOUTH AFRICA (Jan 5 / Rand)

Prices supplied by Telekurs

NOTES - Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. Highs/Lows are based on data from Jan 1 1993. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

FT FREE ANNUAL REPORTS SERVICE

You can obtain the current annual reports of companies annotated with ♣. Ring 081 770 0770 or fax 081 770 3822, quoting FT Japan. If calling from outside UK, dial +44 81 770 0770 or fax +44 81 770 3822, quoting FT Japan. The Reports will be sent on the next working day if timing please remember to state FT Japan and also your post code.

■ TOKYO - MOST ACTIVE STOCKS: Wednesday, January 5, 1994

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
Fujitsu	9.9m	866	+12	Hanwa	5.6m	535	+72
Isuzu Motor	8.8m	395	+26	NEC	4.9m	892	+18
Oki Electric Ind	7.2m	570	+20	Nippon Steel	4.8m	314	+7
Sumitomo Mtl Min	6.8m	924	+5	Hitachi	4.4m	836	+11
Toshiba	5.8m	708	+24	Sanyo Elec	4.1m	447	+20

INDICES

	Jan 5	Jan 4	Jan 3	1993/4 High	1993/4 Low
Argentina					
General (29/12/77)	(u)	20281.3	20217.4	20281.00 4/1/94	12167.00 8/3/93
Australia					
All Ordinaries(1/1/80)	2199.9	2174.3	(c)	2199.90 5/1/94	1495.00 13/1/93
All Mining(1/1/80)	1072.0	1043.0	(c)	1072.00 5/1/94	594.70 13/1/93
Austria					
Credit Aktien(30/12/84)	441.58	438.73	435.87	441.58 5/1/94	308.26 14/1/93
Traded Index(2/1/91)	1198.83	1182.70	1149.35	1198.83 5/1/94	712.08 15/1/93
Belgium					
BEL20 (1/1/91)	1494.97	1475.99	1481.78	1494.97 5/1/94	1125.45 4/1/93
Brazil					
Bovespa (29/12/83)	(u)	40025.0	38000.0	97309.00 25/8/93	7114.72 4/1/93
Canada					
Metals Minls♦(1975)	(u)	3549.32	(c)	3551.97 13/12/93	2743.31 21/1/93
Composite♦ (1975)	(u)	4358.80	(c)	4358.80 4/1/94	3275.80 21/1/93
Portfolio§§ (4/1/83)	(u)	2085.91	(c)	2085.91 4/1/94	1720.87 21/1/93
Chile					
IPSA Gen (31/12/80)	(u)	4039.0	3992.5	4039.08 4/1/94	2612.59 10/5/93
Denmark					
CopenhagenSE(3/1/83)	378.33	377.41	370.74	378.93 5/1/94	251.90 4/1/93
Finland					
HEX General(28/12/90)	1871.3	1869.5	1801.1	1871.30 5/1/94	843.10 22/1/93
France					
SBF 250 (31/12/90)	1504.29	1511.83	1517.39	1517.39 3/1/94	1114.19 28/1/93
CAC 40(31/12/87)	2246.55	2274.34	2280.55	2280.55 3/1/94	1772.21 29/1/93
Germany					
FAZ Aktien(31/12/58)	854.52	855.87	854.50	855.87 4/1/94	599.92 14/1/93
Commerzbank(1/12/53)	2452.1	2459.0	2451.4	2459.00 4/1/94	1694.30 14/1/93
DAX (30/12/87)‡	2233.41	2253.58	2267.98	2267.98 3/1/94	1516.50 13/1/93
Greece					
Athens SE(31/12/80)	1019.39	994.21	990.21	1019.39 5/1/94	667.72 5/1/93
Hong Kong					
Hang Seng(31/7/64)	12167.93	12201.09	12086.40	12201.09 4/1/94	5437.80 4/1/93
India					
BSE Sens.(1979)	3454.0	3479.9	3485.8	3479.90 4/1/94	2109.97 23/4/93
Indonesia					
Jakarta Comp.(10/8/82)	(u)	599.94	588.85	599.94 4/1/94	273.31 5/1/93
Ireland					
ISEQ Overall(4/1/88)	1933.07	1909.10	(c)	1933.07 5/1/94	1161.38 11/1/93
Italy					
Banca Comm. Ital. (1972)	611.50	620.32	624.51	632.36 30/8/93	448.33 6/1/93
MIB General (4/1/94)	980.0	994.0♦	1000.0	1000.00 4/1/94	980.00 5/1/94
Japan					
Nikkei 225 (16/5/49)	17785.48	17868.74	(c)	21148.11 13/9/93	16078.71 29/11/93
Nikkei 300 (1/10/82)	271.92	269.22	(c)	308.84 10/11/93	248.84 29/11/93
Topix (4/1/68)	1462.85	1445.97	(c)	1698.67 3/9/93	1250.06 25/1/93
2nd Section (4/1/68)	1880.78	1873.33	(c)	2384.97 7/6/93	1661.22 29/1/93
Malaysia					
KLSE Comp.(4/4/86)	1314.46	1313.35	1288.85	1314.46 5/1/94	614.26 13/1/93
Mexico					
IPC (Nov 1978)	(u)	2558.89	2502.23	2602.63 30/12/93	1504.15 25/2/93
Netherland					
CBS TtlRtnGen(End 83)	440.1	436.6	436.7	440.10 5/1/94	295.70 4/1/93
CBS All Shr (End 83)	285.2	283.0	283.1	285.20 5/1/94	190.60 13/1/93
New Zealand					
Cap. 40 (1/7/86)	2192.80	(c)	(c)	2203.69 2/11/93	1495.37 21/1/93
Norway					
Oslo SE(Ind)(2/1/83)	1108.80	1097.91	1072.67	1108.80 5/1/94	689.83 27/1/93
Philippines					
Manila Comp (2/1/85)	3231.17	3308.37	3271.51	3308.37 4/1/94	1270.88 4/1/93
Portugal					
BTA (1977)	2709.3	2685.3	2619.9	2709.30 5/1/94	1608.20 14/1/93
Singapore					
SES All-S'pore(2/4/75)	637.55	641.61	638.01	641.81 4/1/94	394.10 13/1/93
South Africa					
JSE Gold (28/9/78)	2323.0♥	2331.0	2154.0	2331.00 4/1/94	775.00 5/1/93
JSE Indl. (28/9/78)	5688.0♥	5717.0	5596.0	5717.00 4/1/94	4393.06 19/4/93
South Korea					
KoreaCmpEx(4/1/80)**	866.93	877.30	879.32	880.93 5/1/94	605.93 6/3/93
Spain					
Madrid SE (30/12/85)	324.22	324.61	327.18	327.18 3/1/94	215.80 4/1/93
Sweden					
AffarsvardsGen (1/2/37)	1438.6	1431.2	1424.9	1438.60 5/1/94	879.10 29/1/93
Switzerland					
Swiss Bk Ind (31/12/58)	1331.87	1326.73	1318.94	1331.87 5/1/94	904.80 11/1/93
SBC General (1/4/87)	1031.99	1028.57	1021.85	1031.99 5/1/94	678.70 11/1/93
Taiwan					
WeightedPr(30/6/66)**	6416.84	(c)	(c)	6416.84 5/1/94	3098.43 9/1/93
Thailand					
Bangkok SET (30/4/75)	1709.64	1753.73	(c)	1753.73 4/1/94	818.94 1/6/93
Turkey					
Istanbul Cmp.(Jan 1986)	22116.3	22268.4	21788.1	22268.40 4/1/94	3655.53 1/1/93
WORLD					
MS Capital Int (1/1/70)§	602.0*	600.5	598.9	607.10 15/10/93	488.60 13/1/93
CROSS-BORDER					
Eurotrack 100(26/10/90)	1473.05	1479.29	(c)	1479.29 4/1/94	1083.02 13/1/93
Euro Top-100 (26/6/90)	1235.43	1241.38	1246.77	1246.77 3/1/94	962.73 13/1/93
JCapeDrgns (31/12/88)	(u)	394.64	389.40	394.64 4/1/94	188.92 4/1/93
Baring Emerg.(7/1/92)	171.92	169.01	168.46	171.92 5/1/94	98.01 4/2/93

** Sat Dec 18: Taiwan Weighted Price 6208.14; Korea Comp Ex 864.00. Base values of all indices are 100 except: Australia All Ordinary and Mining - 500; Austria Traded, BEL20, HEX Gen., MIB Gen., SBF250, CAC40, Euro Top-100, ISEQ Overall; Toronto Comp./Metals & Minerals and DAX - all 1,000; JSE Gold - 255.7; JSE 25 Industrials - 264.3; NYSE All Common - 50 and Standard and Poor's - 10. §§ Montreal. ♦ Toronto. (c) Closed. (u) Unavailable. ‡ IBIS/DAX after-hours index: Jan 5 - 2223.61 -28.24.

■ CAC-40 STOCK INDEX FUTURES (MATIF)

	Open	Sett Price	Change	High	Low	Est. vol.	Open int.
Jan	2291.0	2261.0	-24.0	2295.0	2254.0	21,495	40,498
Feb	2302.0	2273.5	-23.5	2306.0	2275.0	456	361
Mar	2314.0	2284.5	-24.5	2317.0	2280.5	324	30,447
Jun	2278.0	2280.5	-24.0	2278.0	2278.0	-	1,687

Open interest figures for previous day.

US INDICES

Dow Jones	Jan 4	Jan 3	Dec 31	1993/4 High	1993/4 Low	Since compilation High	Since compilation Low
Industrials	3783.90	3756.60	3754.09	3794.33 (29/12/93)	3241.95 (20/1/93)	3794.33 (29/12/93)	41.22 (2/7/32)
Home Bonds	104.74	104.79	104.89	111.28 (10/12/93)	103.49 (11/1/93)	111.28 (10/12/93)	54.99 (1/10/81)
Transport	1754.59	1751.59	1762.32	1775.61 (28/12/93)	1453.84 (4/1/93)	1775.61 (28/12/93)	12.32 (8/7/32)
Utilities	226.60	227.06	229.30	256.46 (31/8/93)	217.14 (8/1/93)	256.46 (31/8/93)	10.50 (8/4/32)

DJ Ind. Day's high 3798.25 (3780.70) Low 3718.89 (3715.25) (Theoretical)♣
Day's high 3783.90 (3765.27) Low 3743.10 (3746.70) (Actual)♣

Standard and Poors	Jan 4	Jan 3	Dec 31	1993/4 High	1993/4 Low	Since compilation High	Since compilation Low
Composite ‡	466.89	465.44	466.45	470.94 (28/12/93)	429.05 (8/1/93)	470.94 (28/12/93)	4.40 (1/6/32)
Industrials	542.81	540.06	540.19	543.94 (29/12/93)	486.48 (26/4/93)	543.94 (29/12/93)	3.62 (21/6/32)
Financial	43.97	43.93	44.27	48.40 (28/9/93)	39.89 (8/1/93)	48.40 (28/9/93)	8.64 (1/10/74)
NYSE Comp.	253.67	258.27	259.08	260.67 (29/12/93)	236.21 (8/1/93)	260.67 (29/12/93)	4.46 (25/4/42)
Amex Mkt Val	477.36	477.24	477.15	484.28 (2/11/93)	395.84 (8/1/93)	484.28 (2/11/93)	29.31 (9/12/72)
NASDAQ Cmp	774.22	770.76	776.80	787.42 (15/10/93)	645.87 (26/4/93)	787.42 (15/10/93)	54.87 (31/10/72)

■ RATIOS

	Dec 31	Dec 17	Dec 10	Year ago
Dow Jones Ind. Div. Yield	2.68	2.67	2.67	3.14
	Dec 29	Dec 22	Dec 15	Year ago
S & P Ind. Div. yield	2.38	2.40	2.45	2.58
S & P Ind. P/E ratio	27.21	27.43	27.16	26.78

■ STANDARD AND POORS 500 INDEX FUTURES $500 times index

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Mar	467.50	467.00	-0.50	467.75	467.00	49,969	177,517
Jun	-	-	-	-	-	-	-
Sep	-	-	-	-	-	-	-

Open interest figures are for previous day.

■ NEW YORK ACTIVE STOCKS

Tuesday	Stocks traded	Close price	Change on day
Repsol	11,121,800	30⅜	-
CML	6,856,100	17¼	-4⅛
Telefonos	6,731,800	66⅛	+1⅞
Merck	3,569,600	35⅝	+⅞
Time Warner	3,157,500	41⅛	-2⅛
Am T & T	3,142,100	52	-⅝
GTE	2,634,600	34⅛	-⅜
Gen Motors	2,405,300	56⅞	+1⅞
RJR Nabisco	2,398,500	6⅝	-
East Kodak	2,376,830	45⅛	+1⅝

■ TRADING ACTIVITY

● Volume (million)

	Jan 4	Jan 3	Dec 31
New York SE	322.451	269.167	157.620
Amex	19.329	17.222	16.264
NASDAQ	(u)	251.023	253.850
NYSE			
Issues Traded	2,710	2,718	2,884
Rises	1,206	901	1,181
Falls	916	1,315	890
Unchanged	588	502	613
New Highs	59	54	119
New Lows	30	17	15

† Correction. * Calculated at 15.00 GMT. ● Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. ♣ The DJ Ind. index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's). ♥ Subject to official recalculation. ◊ MIB Gen rebased at 1000.

4 pm close January 5

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

1993/94 High	Low	Stock	Div	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Chg'e Prev. Close
15	11½	AAR	0.48	3.3	483	136	14½	14⅛	14½	+¼
29⅛	12¼	A L Labs A	0.18	1.2	34	141	14¾	14½	14⅝	
67¼	54⅝	AMP	1.60	2.6	22	2737	63¼	61¼	62⅛	-1
72¾	55½	AMR			54	4503	68⅞	67¼	68¾	+1⅜
3⅞	1¾	ARX			16	2332	u4¼	3⅞	4⅛	+¼
61½	29⅞	ASA	2.00	3.7	35	3596	u55¾	53½	53½	-⅛
30¾	22⅝	AbbtL	0.88	2.3	18	2606	30⅝	29⅝	30	+½
12⅝	8¼	Abitibi Pr	0.50	4.1	7	60	12¼	11⅞	12¼	+½
19⅝	8¼	Acptacein			21	157	13	12¼	13	+½
36	25½	ACE Ltd	0.40	1.3	5	1298	30⅝	30¼	30⅛	+⅜
12⅝	10¾	ACM Gvt In	1.06	8.6		438	12¼	12⅛	12¼	+⅛
10⅛	9⅛	ACM GvOpp x	0.80	8.3		135	9¾	9½	9⅝	
10⅝	8¾	ACM Gvt Sp	0.95	9.4		278	10⅛	10	10⅛	+⅛
12¼	10½	ACM Gvt Se	1.04	8.8		644	11¾	11½	11¾	+⅛
12¼	9⅝	ACM Man x	1.08	9.7		249	11¼	11⅛	11⅛	
9⅞	8⅝	ACM Managd x	0.72	7.9		343	9⅛	9	9⅛	+⅛
12⅞	7¾	AcmeClv	0.44	4.5	12	94	9⅞	9⅝	9⅞	-⅛
11⅞	6⅞	Acme Elect			35	134	7¾	7¼	7¾	+⅛
27⅝	18⅞	Acordia	0.44	1.7	14	18	25¾	25½	25¾	+⅛
16	10⅞	Acuson			58	312	13	12½	12⅞	+⅜
21¾	17¼	Adams Expr	0.52	2.8	0	182	18¼	18	18¼	+¼
66¼	45½	Ad Micro	3.00	6.3		28	48⅛	47⅞	47⅞	
32¾	17	AdvMic	3.00	16.6	6	6942	18½	18	18⅛	-⅛
8⅛	5½	Advest Grp	0.16	2.4	11	129	6⅝	6⅝	6⅝	
24¾	14¼	Advo Inc	0.08	0.4	87	65	18⅝	18¼	18⅞	-⅛
58½	41⅛	Aegon ADR	1.23	2.2	12	137	56½	55¼	56½	
66¼	43⅞	AetnaL	2.76	4.7	25	1412	59½	58⅝	58⅝	-¾
34	24⅞	Aflac	0.40	1.4	12	2087	28	28⅝	28	+⅞
22⅛	16⅞	Ahmnsn	0.88	4.5	9	1463	19⅞	19⅝	19¾	
7¾	3⅝	Aileen Inc			5	456	4	3⅝	3¾	-¼
48½	37½	AirPrC	0.92	2.0	25	1229	45⅝	44⅝	45½	+⅝

Continued on next page

4 pm close January 5

NYSE COMPOSITE PRICES

Continued from previous page

1993/94 High	Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Price	Ch'ge Prev. Close
33½	13¾	Wolverine	0.16	0.5	19	160	30⅞	30½	30½	-⅛
32¾	20½	Woolwth	1.16	4.5	11	11000	25¾	24⅞	25¾	
17	11¾	World Wide	1.20	6.9		98	u17⅞	17⅛	17⅜	+¼
7	2¾	Worldcorp			3	2548	6⅞	6¾	6¾	-⅛
46⅛	29½	Wrigley	0.40	0.9	30	278	45	44⅞	44⅞	-⅝
27	14	Wyle Labor	0.28	1.5	14	97	19⅛	18¾	18¾	-⅜
23¾	16¾	Wynns Int	0.44	2.2	12	84	20⅞	19½	20⅞	+1

- X - Y - Z -

1993/94 High	Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Price	Ch'ge Prev. Close
90	65⅞	Xerox	3.00	3.4	35	1191	88¾	88¼	88½	-⅛
55½	51½	Xerox4.125	4.12	7.8		9	53	52⅝	52⅝	-1⅛
53	31¼	Xtra Corp	0.48	1.0	21	301	47⅞	46⅞	46⅞	-1
29¼	19½	Yankee Egy	1.16	4.8	14	30	24⅞	24⅛	24⅛	-⅛
1⅝	¾	Zapata			17	284	1⅜	1¼	1¼	
10½	5⅞	ZnthEl			2	1048	7⅝	7⅜	7⅜	-¼
29¾	19⅝	Zenith Nat	1.00	4.3	10	55	23	22⅞	23	
8	6½	Zenix Inc	0.82	10.5		66	7⅞	7⅝	7¾	
16⅝	12¾	Zero	0.40	2.5	19	88	16	15⅞	15⅞	
40¾	25⅛	Zurn Ind	0.88	3.3	57	451	27½	26½	26⅝	-⅞
13⅞	12⅝	Zweig Fund	1.20	9.0		370	13½	13⅜	13⅜	-⅛
10⅞	9⅞	Zweig Toll	0.96	9.0		112	10⅝	10⅝	10⅝	-⅛

Price data supplied by Telekurs

Yearly highs and lows reflect the period from Jan 1, excluding the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration. Sales figures are unofficial.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE PRICES

4 pm close January 5

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
NtlCanOil	0.20	18	18	9¾	9⅝	9¾	-⅛
Numac O&G		82	15	6⅝	6⅝	6⅝	
NV Ryan		1	1284	⅞	⅞	⅞	
Odetics A		34	135	9⅜	9¼	9¾	
Cab Marc	0.28	14	4	10⅞	10¼	10⅞	+⅛
Chmbrs A	0.01	10	5468	5¼	4⅞	5⅛	+⅛
Chambers		10	287	5⅛	4⅞	5⅛	+⅜
Giant FdA	0.70	15	205	24⅞	24½	24⅞	+⅛
Glatflt	0.70	31	229	18¼	18⅞	18⅛	+⅛
Goldfield		12	221	⅝	⅝	⅝	+1/16
Nat Patnt		9	186	4⅞	4⅞	4⅞	+⅛
New Line		34	272	25⅛	24¾	24¾	-¼
NY TmA	0.56	83	2583	27⅞	26⅛	27½	+1⅝
Worthen	0.20	9	35	22⅞	22½	22⅞	-⅛
Xytronix		9	69	9¼	9	9	-⅛

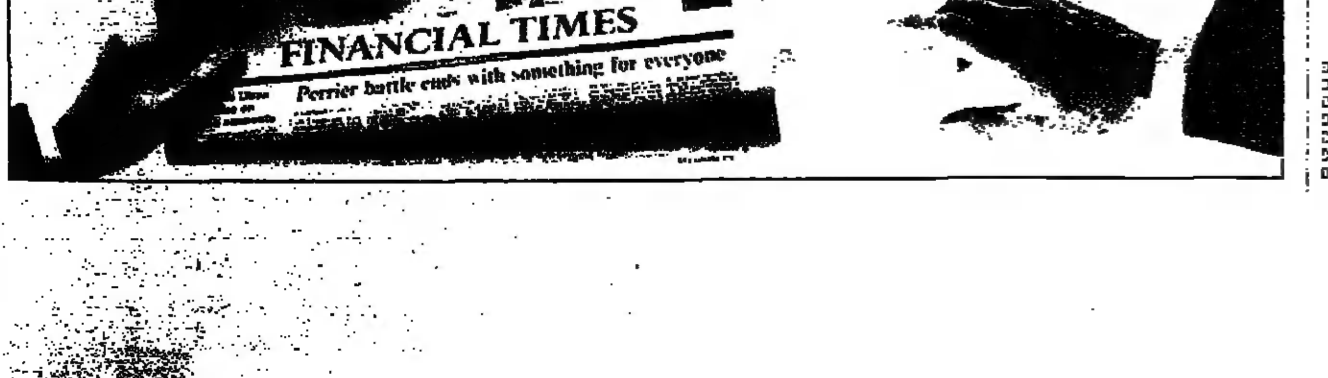
NASDAQ NATIONAL MARKET

4 pm close January 5

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
ABS Inds	0.20	16	5	11½	10¾	10⅞	-⅜
ACC Corp	0.12	59	861	19¾	18½	19¾	+1¼
Acclaim E		36	10613	24⅛	22⅞	24	+1¼
Acme Mtls		30	102	18¾	17½	18¼	
Acxiom Cp		33	125	21¼	20¾	21¼	
Adaptech		19	3418	39¾	38¼	39¾	+1¼
ADC Tele		31	1775	36½	35¾	36¼	
Addington		108	1066	18½	18	18½	+¼
Adia Serv	0.16	15	70	22¾	22	22¼	-¼
Adobe Sys	0.20	20	11613	22¾	21½	22½	+⅞
Advance C		10	496	14½	13⅞	14½	+¼
Adv Logic		4	472	3⅞	3½	3⅞	+¼
Adv Polym		8	533	5⅝	5¼	5⅝	+¼
AdvTchLab		50	580	17¼	16½	17¼	+¾
Advanta	0.20	17	790	33	32¼	33	+¾
Affymax		12	914	16½	15	16	+1½
Agency Re		22	1672	13	12	13	+½
AgnicoEa	0.10	165	6088	14¼	13½	13⅞	+½
Alcoa ADR	0.78	18	1462	u52½	50½	52½	+3
Aldus Cp		49	3521	26¼	24½	25¼	
AlexBld	0.88	19	955	26¾	26¼	26¼	-½

GET YOUR FT HAND DELIVERED IN COPENHAGEN, AARHUS, AALBORG, ESBJERG AND ODENSE.

If you work in the business centres of Copenhagen, Aarhus, Aalborg, Esbjerg and Odense we'll deliver your daily copy of the FT to your office at no extra cost. Call Erna Pio for details on Copenhagen 3313 4441.



AMERICA

Dow follows uneasy bond market lower

Wall Street

Further evidence of economic expansion brought little cheer to US equity investors yesterday morning, as share prices followed the lead of a sagging bond market, *writes Frank McGurty in New York.*

By 1 pm, the Dow Jones Industrial Average was 5.07 lower at 3,778.83, while the more broadly based Standard & Poor's 500 was 0.50 down at 466.39. Secondary indices managed slight gains, with the American SE composite 0.50 ahead at 477.86, and the Nasdaq composite up 0.33 at 774.61.

Volume on the NYSE was heavy, with 218m shares traded by 1 pm. Advancing issues led declines, 1,029 to 960.

Concern over higher interest rates again overshadowed hopes that a strong economy would boost corporate profits. Strength in manufacturing was documented further by the Commerce Department, which reported that factory orders in November had risen by 1.4 per cent, against a consensus forecast of 1.3 per cent and October's 1.2 per cent rise.

The robust data assured the demise of a late rally in bond prices in the previous session. Inflationary concerns resurfaced and the 30-year government security shed $\frac{11}{32}$ to $98\frac{1}{32}$ by midday.

In spite of the unease over interest rates, some cyclical issues, those most likely to be rewarded by sustained growth, showed improvement.

Paper and pulp stocks were strong. International Paper gained \$1⅛ to \$71⅛ and Georgia Pacific \$1¼ to \$71¾. Federal Paperboard was marked up \$1⅜ to \$24 and Boise Cascade \$1½ to \$25⅝ on a buy recommendation from Oppenheimer.

Among individual issues, Borden dropped \$1⅞ to \$16⅞ after its board approved a sweeping restructuring plan, which includes the disposal of several businesses and a \$650m charge against fourth-quarter earnings.

Merck, the most active NYSE issue, added \$1⅜ to \$37⅞ the day after announcing a reorganisation and naming an heir-apparent to its chairman, Mr P Roy Vagelos.

On the Nasdaq, Apple Computer had another strong showing, climbing \$1½ to \$33, while Microsoft was \$1¼ ahead at \$81¾ after Ragan MacKenzie upgraded the stock.

Mexico was sharply higher at midmorning, reckoning that the government was getting the upper hand against rebels in Chiapas. The IPC index, after a late rebound on Tuesday, rose 80.13, or 3.1 per cent, to 2,639.02. Volume was moderate at 36.1m shares.

In Brazil, stocks rose by 4 per cent in heavy midsession trade, the Bovespa index gaining 1,650 at 41,655 at 1300 local time after Tuesday's 5.3 per cent advance. Brokers said this reflected safe-haven buying due to jitters over Brazil's monetary policy, and a continued inflow of foreign money into the market.

Canada

Toronto added to morning gains at midday, the TSE 300 composite index rising 18.46 to 4,387.00 in heavy volume of 51.72m shares.

The transportation sector shot up 147.59, or 3.7 per cent, to 4,172.26 on a powerful performance by Laidlaw whose class A and B shares both added C\$⅜ to C\$10.

SOUTH AFRICA

Johannesburg was lower as the gold bullion price eased and profits were taken after Tuesday's surge. The industrials index fell 29 to 5,688 and golds shed 8 to 2,323. The overall index lost 2 to 5,086. Anglos dipped R1 to R234.

EUROPE

Akzo the star performer as Amsterdam peaks

Subdued again in Frankfurt and Paris, the continent still managed to produce a string of new highs yesterday, *writes Our Markets Staff.*

AMSTERDAM overcame mid-session profit-taking in a late rebound which restored prices to record levels and the AEX index closed 1.51 higher at 422.40.

Akzo was the star performer, rising Fl 9 or 4.7 per cent to Fl 200.00 after a company presentation confirmed analysts' positive expectations of the group's acquisition of Nobel's core chemical businesses.

Hoogovens, the steel group, continued its recent run, setting a 12-month intra-day high of Fl 54.00 before closing Fl 1.80 firmer at Fl 53.70.

Elsevier fell Fl 3.20 to Fl 185.00, erasing Tuesday's gain which followed a a report that the US Paramount group had once tried to acquire a stake in the publisher.

ZURICH moved ahead in spite of profit-taking during the afternoon and the SMI index added 7.9 to another record close of 3,007.1.

The biggest gains were seen among cyclicals with Sulzer adding SFr35 or 4.1 per cent to SFr880, helped by a warrant issue and its inclusion as a constituent of the SMI index since January 1.

Ascom shed SFr80 or 5.5 per cent to SFr1,365 after a local newspaper report that the troubled telecommunications group had lost a semi-exclusive contract with the Swiss PTT. A statement from Ascom that it had just signed a new contract came after the bourse closed.

Adia added SFr15 to SFr208 after a report that chart analysis indicted a forthcoming upturn in the price.

FRANKFURT featured relative weakness in banks as the Dax index fell 20.17 to 2,233.41 on the session, and another 9.80 to 2,223.61 in the post bourse.

Commerzbank fell DM12.50, or more than 3 per cent to DM385 and Bayernverien DM12.50 to DM565. Analysts said that attention might be moving from banking profits, very high in 1993, to the current level of provisions, and that Commerzbank had been relatively strong lately ahead of its rights issue.

FT-SE Actuaries Share Indices

Jan 5								THE EUROPEAN SERIES
Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE Eurotrack 100	1481.85	1483.53	1482.98	1479.02	1479.61	1474.87	1473.34	1473.05
FT-SE Eurotrack 200	1548.01	1549.02	1547.57	1545.83	1544.93	1540.78	1538.82	1540.12

	Jan. 4	Dec. 31	Dec. 30	Dec. 29	Dec. 24
FT-SE Eurotrack 100	1473.29	1473.36	1475.84	1466.20	1459.49
FT-SE Eurotrack 200	1545.77	1546.84	1547.64	1552.09	1535.05

Base value 1000 (26/10/90). Highest: 100 - 1482.67; 200 - 1550.19 Lowest: 100 - 1472.33 200 - 1537.96

Turnover fell from DM11.9bn to DM10.8bn. Laggards continued to attract attention, with construction stocks joined yesterday by steels, where Klöckner-Werke rose DM4.60 to DM112.50 and Preussag by DM8 to DM459.50.

PARIS took profits in a big way, turnover climbing from FFr4.5bn to FFr6.03bn as the CAC-40 index fell 24.79 to 2,249.55.

Peugeot fell FFr16 to FFr761 after Tuesday's car industry figures which showed that sales fell last year to their lowest since 1975.

Among recently strong performers, Société Generale came back FFr21 to FFr745 but Eurotunnel continued the run of strength on its tariff announcement and last week's extension of its concession to operate the Channel tunnel, rising another FFr1.60 to FFr57.10.

MILAN slid 1.4 per cent in an overdue correction for a politically apprehensive market. The Comit index shed 8.82 to 611.50.

Industrial stocks suffered the heaviest losses with Fiat L167 lower at L4,215 and Olivetti down L77 to L2,008. Montedison was again the most heavily traded, losing L35 to L894 in volume of 34.7m shares, amid heavy arbitrage between the ordinary stock and the rights.

A L154 or 8.4 per cent fall to L1,676 in Ferruzzi was also attributed to arbitrage between its ordinary and rights shares.

MADRID was rescued by late buying after a bruising day, the general index easing 0.39 to 324.22 in turnover of Pta27.4bn.

In mixed to lower banks, still depressed by the Banesto situation, Santander fell Pta150 to Pta6,450. The search for laggards seemed evident here, too, with Tabacalera up Pta110 to Pta4,105 on the day.

BRUSSELS saw a new record close, 9.09 higher at 1,484.97 in high turnover of BFr1.78bn.

Gains were spread among cyclicals, financials and retailers. Cockerill, the steelmaker, rose BFr5 to BFr160 and Recticel (polyurethane foam) by BFr36 to BFr636, exemplifying the European tendency to look for laggard stocks. Retailers mostly advanced ahead of pending results, Delhaize rising BFr20 to BFr1,370.

STOCKHOLM shares ended mixed although the the Affärsvärlden index rose 7.7 to 1,438.8, posting a third consecutive record high.

OSLO hit another new high, spurred by stronger prices for Norway's North Sea oil. The all-share index closed 6.11 higher at 636.99 in turnover up from NKr933m to NKr1.13bn.

DUBLIN's ISEQ overall index rose another 24.97, or 1.3 per cent to another new high of 1,933.07 as analysts looked for a first quarter market gain of 10 to 15 per cent.

ATHENS accelerated its rate of climb again, the general index closing 25.18, or 2.5 per cent higher at 1,019.39 in very heavy trading. Turnover was estimated at about Dr10bn, the highest in the last two years.

Written and edited by William Cochrane and Michael Morgan

ASIA PACIFIC

Corrections, new highs in region as Nikkei adds 2.4%

Tokyo

Buying by arbitrageurs and foreign investors boosted share prices on the first full-day session for the year, and the Nikkei average closed 2.4 per cent up, *writes Emiko Terazono in Tokyo.*

The 225-issue index gained 413.74 at 17,783.48, while the Topix index of all first section stocks rose 16.88, or 1.2 per cent, to 1,462.85. In London the ISE/Nikkei 50 index was 3.16 higher at 1,213.54.

The Nikkei opened at the day's low of 17,376.54 and advanced steadily on arbitrage linked buying in tandem with a rise in the futures market. After a brief lull in the afternoon, further demand from overseas investors and investment trusts pushed the benchmark to a day's high of 17,793.18 just before the close.

Volume amounted to 293m shares, after Tuesday's half-day session total of 118m. Rises overwhelmed declines by 818 to 181, with 112 issues unchanged.

Financial institutions were seen selling, and traders expected profit-taking to increase as the index approaches the 18,000 level. However, strong buying of blue chip issues by foreign investors supported prices. "Many foreigners think that other overseas markets are becoming too high, and are increasing their allocation in Japanese shares," said a Japanese trader.

Prospects of rationalisation and the lower yen continued to lift export orientated, high-technology stocks. Fujitsu, the most active issue of the day, climbed Y13 to Y866. Sony added Y220 at Y5,840 on foreign buying.

Automakers were also strong, with Isuzu Motors up Y26 to Y395 and Honda Motor gaining Y60 at Y1,630.

Ajinomoto, a leading food manufacturer, moved ahead Y140 to Y1,340 on reports of its anti-Aids vaccine development project. Other drug and biotechnology issues were higher, with Dainippon Pharmaceutical rising Y44 to Y1,040.

Stronger gold prices pushed up Sumitomo Metal Mining by Y5 to Y924. Hanwa, a steel trader which was sold heavily last month on speculation of financial problems, rebounded Y72 to Y535 on short-covering.

Hopes of growing demand for car navigation systems left Pioneer Electronic Y70 stronger at Y2,910.

The day's losers included banks. Dai-Ichi Kangyo Bank lost Y10 to Y1,790 and Mitsubishi Bank Y10 to Y2,620 on profit-taking. Real estate companies were weak. Mitsubishi Estate shed Y7 to Y913.

In Osaka, the OSE average rose 320.65 to 19,591.76 in volume of 19.4m shares.

Roundup

The region mixed yet more highs in some markets with corrections in others.

TAIWAN posted one of its biggest percentage gains in years, opening 1994 with a 5.7 per cent rise to a 42-month high. The weighted index closed 346.28 ahead at 6,416.84 as turnover soared to T\$145bn, the heaviest since June 1990.

Dealers and speculators celebrated the start of same-day trading, allowing sales of stocks bought earlier in the same day, although professionals said the move increased chances that the market would hit bouts of heavy profit-taking.

The market ignored the Finance Ministry's proposal to reimpose a stock capital gains tax.

SEOUL was a study in contrasts. The stock index hit a new peak, 9.63 higher at 886.93, as foreign investors continued to support financials and shares with low price-to-book ratios.

However, brokers said the market was due to consolidate on selling pressure from the Korea Stock Market Stabilisation Fund, and three trusts which are subject to pay back Won2,600bn in soft loans to the central bank by February 10.

KUALA LUMPUR took profits and fell from a fresh record high of 1,332.04, but the composite index still managed to end at a new closing peak of 1,314.46, up 1.11.

JAKARTA broke through the 600 barrier for the first time in nearly four years, the JKSE index finishing 12.95 stronger at 612.89. Volume was boosted by block deals in Bank International Indonesia of 9.5m shares at Rp8,300.

KARACHI gave credit for its record high to institutions, and foreign buyers looking for undervalued shares. The KSE index rose 20.13 to 2,274.02.

AUSTRALIA registered yet another post-1987 record on demand for resource stocks and a soaring futures market. The All Ordinaries index closed 19.1 up at 2,193.4, the March Share Price index gained 36 at 2,241, and surging mining and gold stocks pushed the All Resources index ahead 30.9 to 1,356.6.

Oil shares benefited from rising crude prices. Woodside put on 9 cents at A\$4.32, Santos 7 cents at A\$3.94 and Ampolex 29 cents at A\$5.97. Turnover was A\$744.91m.

HONG KONG saw profit-taking snap a string of four consecutive rises, although the Hang Seng index closed a mere 33.16 easier at 12,167.93 after trading in a 250-point band. Turnover was the second highest ever at a provisional HK\$13.14bn, down from Tuesday's record HK\$15.1bn.

SINGAPORE called it a correction as the Straits Times Industrial index fell 39.91, or 1.6 per cent, to 2,431.99 after hitting an intraday all-time high of 2,482.91.

BANGKOK saw record turnover of Bt40bn as investors took profits, and the SET index retrreated 44.09, or 2.5 per cent, to 1,709.64.

Investors' attention turns to Africa

By Michael Morgan

International institutional allocation to emerging markets rose by 3 percentage points to 13 per cent of overseas funds in 1993, according to 60 institutional investors and other financial institutions polled by Kleiman International Consultants.

The dollar allocation grew by an average of 75 per cent and a further 30 per cent increase is forecast for this figure in the coming year. The increases, says Kleiman, reflect the growing acceptance of emerging markets by clients of the US-based consultancy, polled for a five year review of developments in the field.

A broader geographic diversification was accompanied by a regional shift in allocations. This is attributed to a number of factors: the opening of new markets such as Zimbabwe and Jordan to foreign investment, strong performance in emerging markets and efforts to diversify portfolios. In 1990, only 7 per cent of respondents had holdings in Africa and/or the Middle East but the figure had grown to 50 per cent by 1993. Similarly, central and southern European markets were in 85 per cent of portfolios in 1993, compared with two-thirds in 1990.

Africa's 14 existing stock markets, and new ones opening in Zambia and Tanzania, are expected to benefit from further portfolio diversification in the coming year. While many European and Japanese institutions re-entered South Africa after Mr Nelson Mandela was released from prison, US investors only began to re-explore opportunities in the final quarter of last year.

The renewed attention paid to South Africa is expected to spill over to smaller, less liquid markets in the continent, including Morocco and Tunisia in the north and the southern markets of Botswana, Ghana, Namibia, Swaziland, Zambia and Zimbabwe.

EMERGING MARKETS: IFC WEEKLY INVESTABLE PRICE INDICES

Market	No. of stocks	Dollar terms: Dec 31 1993	% Change over week	% Change on Dec '92	Local currency terms: Dec 31 1993	% Change over week	% Change on Dec '92
Latin America							
Argentina	(11)	994.16	+6.3	+71.4	610,043.24	+6.3	+71.8
Brazil	(42)	232.72	-0.4	+86.2	101,621,953.9	+7.2	+4772.9
Chile	(20)	551.79	+0.6	+31.8	953.26	+1.3	+48.6
Colombia[1]	(8)	644.71	+1.9	+51.6	927.07	+3.3	+61.6
Mexico	(56)	1,000.89	+1.5	+48.1	1,342.15	+1.5	+47.8
Peru[2]	(7)	120.94	+8.1	+20.9	159.03	+9.1	+59.0
Venezuela[3]	(8)	591.88	+3.0	+13.9	1,421.33	+3.8	+52.3
East Asia							
China[4]	(16)	149.27	+2.0	+49.3	164.10	+2.0	+64.1
South Korea[5]	(130)	118.16	+1.5	+20.4	125.51	+1.5	+23.4
Philippines	(11)	336.65	+6.6	+152.1	439.11	+6.6	+171.6
Taiwan, China[6]	(76)	135.20	+17.7	+83.2	133.79	+17.4	+91.8
South Asia							
India[7]	(61)	118.31	+0.0	+24.1	128.63	+0.0	+34.7
Indonesia[8]	(31)	124.67	+5.2	+112.4	142.38	+5.2	+116.5
Malaysia	(61)	339.05	+2.5	+107.3	336.96	+7.6	+113.5
Pakistan[9]	(8)	387.95	+3.5	+93.8	526.19	+3.6	+127.9
Sri Lanka[10]	(5)	177.24	+2.9	+77.2	190.96	+3.1	+91.0
Thailand	(52)	477.61	+8.4	+107.3	483.21	+8.6	+107.2
Euro/Mid East							
Greece	(17)	227.68	+1.7	+16.6	384.48	+4.0	+35.0
Jordan	(5)	165.55	+0.8	+41.7	239.43	+0.6	+44.4
Portugal	(16)	113.57	+0.8	+47.2	137.87	+2.8	+76.8
Turkey[11]	(31)	212.60	+4.4	+217.9	1,454.78	+7.2	+442.4
Zimbabwe[12]	(5)	202.09	-0.1	n.a.	213.63	+1.4	n.a.

Indices are calculated at end-week, and weekly changes are percentage movement from the previous Friday. Base date: Dec 1988=100 except those noted which are: (1)Feb 1 1991; (2)Dec 31 1992; (3)Jan 5 1990; (4)Dec 31 1992; (5)Jan 3 1992; (6)Jan 4 1991; (7)Nov 6 1992; (8)Sep 28 1990; (9)Mar 1 1991; (10) Dec31 1992; (11)Aug4 1989; (12)July 2 1993.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Ltd., Goldman, Sachs & Co. and NatWest Securities Ltd. in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS Figures in parentheses show number of lines of stock	TUESDAY JANUARY 4 1994: US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	MONDAY JANUARY 3 1994: US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	DOLLAR INDEX: 1993/94 High	1993/94 Low	Year ago (approx)
Australia (69)	168.71	+0.4	168.79	120.67	152.61	163.66	+0.2	3.14	168.10	168.34	119.43	151.82	163.51	168.71	117.39	124.03
Austria (17)	188.00	+0.3	188.08	134.47	170.05	169.62	+0.3	0.84	187.37	187.64	133.13	169.22	169.10	188.00	131.16	135.18
Belgium (42)	162.91	+0.0	162.98	116.51	147.35	145.35	-0.2	3.96	162.87	163.10	115.71	147.09	145.57	166.01	131.10	133.45
Canada (107)	138.46	+1.2	138.53	99.03	125.23	131.98	+1.4	2.54	136.80	136.99	97.18	123.58	130.19	138.46	111.41	115.30
Denmark (32)	255.66	+1.1	255.78	182.87	231.25	235.78	+1.0	0.96	252.98	253.33	179.73	228.47	233.40	255.66	165.11	169.88
Finland (23)	129.78	+4.7	129.84	92.83	117.39	157.49	+4.3	0.66	123.99	124.17	88.10	111.98	150.98	129.78	65.50	72.95
France (99)	176.62	-0.5	176.70	126.32	159.74	163.68	-0.5	2.84	177.46	177.71	126.07	160.26	164.48	179.49	142.72	146.40
Germany (59)	139.73	-0.6	139.79	99.95	126.38	126.38	-0.4	1.64	140.55	140.75	99.67	126.93	126.93	142.38	101.59	104.56
Hong Kong (55)	506.56	+1.1	506.80	362.33	458.22	502.34	+1.1	2.17	500.99	501.70	355.93	452.47	496.81	506.56	218.82	223.50
Ireland (14)	188.45	+1.8	188.55	134.80	170.46	187.71	+1.4	3.02	185.15	185.41	131.54	167.21	185.19	188.46	129.28	142.18
Italy (69)	68.54	-1.6	68.57	49.02	61.99	86.85	-2.0	1.88	69.64	69.74	49.48	62.89	88.64	78.93	53.78	53.78
Japan (469)	128.93	-0.2	128.99	92.22	116.63	92.22	+0.5	0.89	129.22	129.40	91.80	116.71	91.80	165.91	100.75	104.13
Malaysia (69)	619.19	+2.4	619.46	442.87	560.05	628.37	+1.2	1.16	604.51	605.37	429.47	545.93	621.04	619.19	251.66	258.83
Mexico (18)	2304.81	-3.4	2305.88	1648.57	2084.75	7843.36	-3.3	0.65	2386.18	2389.55	1695.30	2154.99	8108.54	2387.72	1410.30	1669.89
Netherland (25)	200.00	-0.2	200.09	143.05	180.90	177.56	-0.1	2.98	200.40	200.68	142.37	180.98	177.80	202.48	150.39	152.54
New Zealand (14)	68.27	+0.1	68.30	48.83	61.75	64.46	+0.0	3.63	68.22	68.31	48.47	61.61	64.46	68.38	40.56	42.91
Norway (23)	185.20	+2.4	185.28	132.47	167.52	188.16	+2.5	1.35	180.78	181.04	128.44	163.27	184.85	185.20	137.71	144.28
Singapore (45)	375.87	+0.8	376.04	268.85	339.97	278.95	+0.7	1.46	372.98	373.50	264.99	336.84	276.95	376.67	207.04	216.50
South Africa (60)	276.93	+3.2	277.06	198.07	250.48	262.99	+4.5	2.12	268.43	268.81	190.71	242.42	251.70	276.93	144.72	144.72
Spain (42)	139.11	-1.3	139.17	99.50	125.83	151.49	-0.7	3.95	140.89	141.09	100.10	127.24	152.54	145.24	115.23	118.24
Sweden (36)	202.05	+1.7	202.15	144.53	182.77	247.15	+0.6	1.41	198.72	199.00	141.19	179.47	245.72	208.92	149.70	169.73
Switzerland (49)	162.18	-0.2	162.26	116.01	146.71	149.42	+0.1	1.45	162.46	162.69	115.43	146.74	149.33	165.86	108.91	114.28
United Kingdom (215)	205.03	-0.1	205.12	146.64	185.43	205.12	-0.2	3.50	205.19	205.48	145.76	185.29	205.47	209.10	162.00	175.71
USA (517)	189.94	+0.3	190.03	135.86	171.81	189.94	+0.3	2.75	189.40	189.66	134.57	171.05	189.40	191.66	175.38	177.45
Europe (746)	170.14	-0.2	170.22	121.70	153.90	165.51	-0.2	2.74	170.49	170.73	121.13	153.97	165.91	172.29	133.82	137.44
Nordic (114)	195.81	+2.0	195.90	140.06	177.11	207.54	+1.3	1.20	192.02	192.29	136.43	173.42	204.88	195.81	142.13	151.80
Pacific Basin (721)	144.79	+0.0	144.86	103.57	130.97	106.63	+0.5	1.15	144.74	144.95	102.84	130.72	106.06	168.80	105.89	108.90
Euro-Pacific (1467)	155.19	-0.1	155.26	110.99	140.36	129.17	+0.2	1.87	155.30	155.52	110.33	140.25	128.84	162.86	117.26	120.45
North America (624)	186.72	+0.3	186.81	133.57	168.92	185.94	+0.3	2.74	186.11	186.37	132.24	168.11	185.32	188.13	171.51	173.80
Europe Ex. UK (531)	148.26	-0.3	148.33	106.07	134.14	142.28	-0.3	2.24	148.66	148.89	105.66	134.31	142.68	150.04	112.51	114.83
Pacific Ex. Japan (252)	295.22	+1.1	295.36	211.20	267.06	273.02	+0.8	2.21	292.04	292.45	207.52	263.77	270.78	295.22	152.70	155.72
World Ex. US (1652)	157.52	+0.0	157.60	112.66	142.49	132.56	+0.2	1.88	157.57	157.79	111.95	142.31	132.24	162.69	118.51	121.51
World Ex. UK (1954)	163.75	+0.1	163.82	117.13	148.13	145.27	+0.3	2.06	163.57	163.80	116.22	147.73	144.82	168.66	134.22	135.99
World Ex. So. Af. (2109)	166.65	+0.1	166.73	119.21	150.75	149.52	+0.2	2.21	166.56	166.79	118.35	150.43	149.21	170.46	137.29	139.51
World Ex. Japan (1700)	188.99	+0.2	189.07	135.19	170.97	185.56	+0.2	2.66	188.61	188.88	134.01	170.36	185.22	189.49	157.47	159.36
The World Index (2169)	167.34	+0.1	167.42	119.70	151.37	150.42	+0.3	2.21	167.18	167.42	118.78	151.00	150.03	170.88	137.32	139.43

Latest prices were unavailable for this edition. New Zealand market closed 4/1/94.